

# *The* NATIONAL UNDERWRITER

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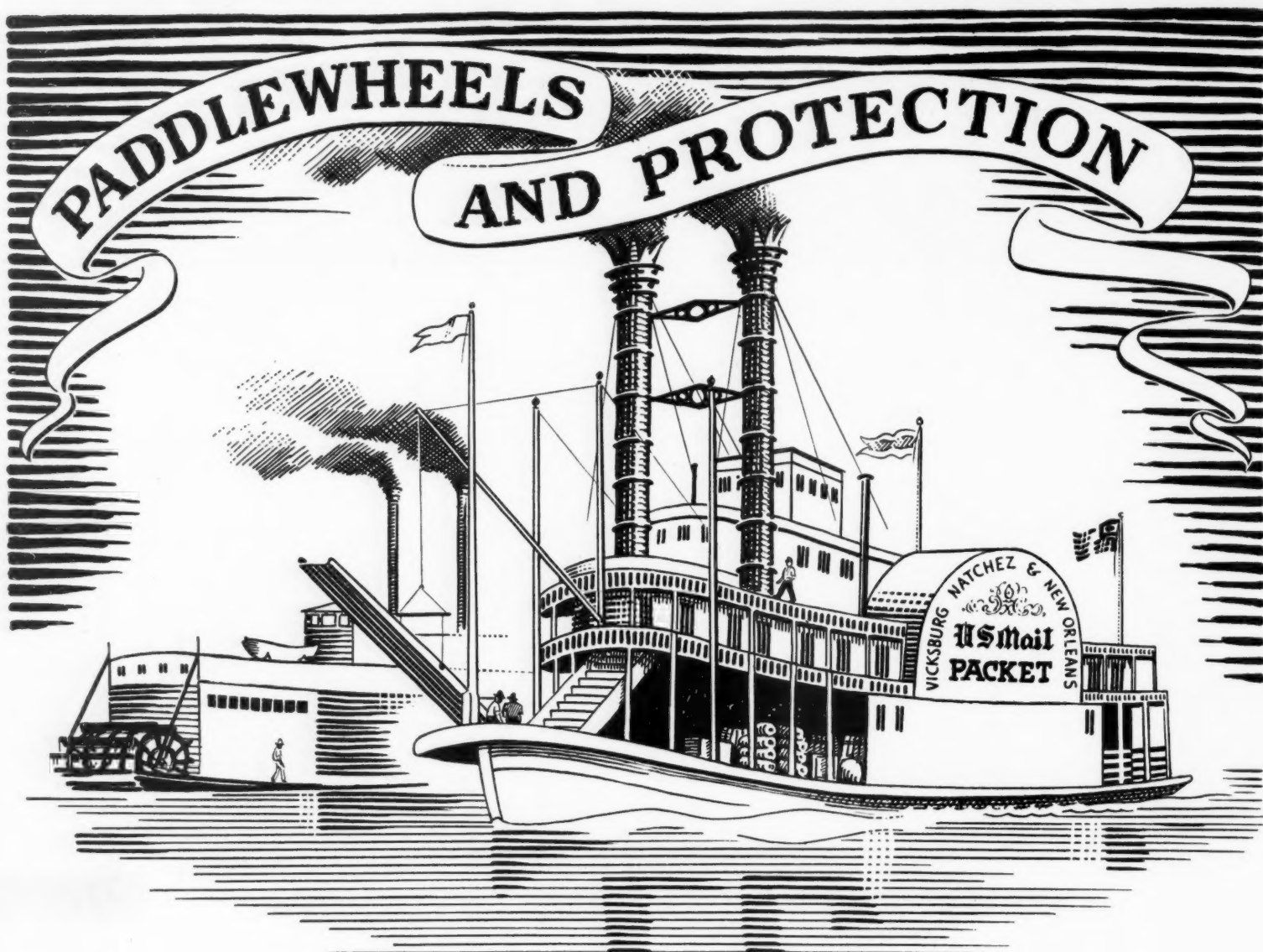


### THE EMPLOYERS' GROUP

110 MILK STREET, BOSTON

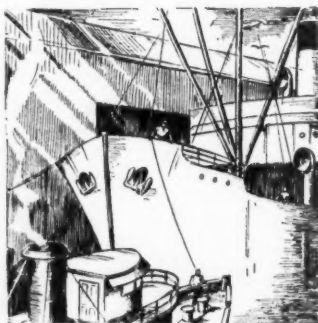


THURSDAY, OCTOBER 1, 1936



When Companies of the Royal-Liverpool Groups first began serving the insuring public the city of New Orleans, with its hand on the pulse of the great Mississippi River system, was as foreign to Eastern America as Paris, France. Indeed, this so-called "Paris of the South" was, until the advent of steamboating, much less accessible than the European city.

Like the steamboat which brought transportation and commerce to this vast central domain, Royal-Liverpool Companies pioneered in bringing to it the security of insurance protection so vitally important to permanent progress.



The Liverpool & London & Globe Insurance Company Limited established what is now the oldest insurance office in New Orleans. Royal-Liverpool protection followed the paddlewheels of the packets to the farthest reaches of the rivers.

Famed steamboat ports of call—Natchez, Vicksburg, Memphis, Cairo, St. Louis, Dubuque, LaCrosse, St. Paul, on the Mississippi; Louisville, Cincinnati, Pittsburgh, on the Ohio; Kansas City, Omaha, Pierre, on the Missouri are only part of a long roster of American cities where Royal-Liverpool Companies pioneered sound insurance to the American people.

SPANNING THE YEARS WITH

# ROYAL-LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N.Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA  
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OUR MEMORIAL  
JULY 31<sup>st</sup> and 3<sup>rd</sup> 1871  
CHICAGO PHOENIX INS. CO.  
VERSUS  
OF BROOKLYN, N.Y.

**The Undersigned**  
 Take pleasure in stating that the Phoenix Insurance Co. of Brooklyn have promptly and fairly paid them the sums set opposite their names for their losses in  
 the great Chicago fire and they recommend the Phoenix to all who wish a policy of Insurance which can be relied upon in any emergency.

[illegible]

# FIRE PREVENTION WEEK - OCTOBER 4 - 10

During Fire Prevention Week occurs the anniversary of the great Chicago fire. The fairness and promptness with which the Phenix Insurance Company of Brooklyn, now the Fidelity-Phenix, paid its claims in that conflagration, prompted some of our grateful assureds to inscribe the memorial reproduced above.

Since that time, the loss payments of our companies have passed the BILLION dollar mark and though it is not customary now to receive memorials, each day adds to the list of those who would be glad to attest to the integrity and fair dealing of the Companies of the America Fore Insurance and Indemnity Group.

Ernest Turner

**Chairman of the Boards.**

PROVED BY THE ACID TEST OF TIME

## America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY  
AMERICAN EAGLE FIRE INSURANCE COMPANY  
FIDELITY-PHENIX FIRE INSURANCE COMPANY  
FIRST AMERICAN FIRE INSURANCE COMPANY

*Eighty Maiden Lane,*



*and Indemnity Group*

NIAGARA FIRE INSURANCE COMPANY  
MARYLAND INSURANCE COMPANY OF DELAWARE  
THE FIDELITY AND CASUALTY COMPANY

ERNEST STURM, Chairman of the Board  
BERNARD M. CULVER, President

*New York, N.Y.*

NEW YORK

CHICAGO


SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

# PUBLIC ENEMY



**No 1**

**Fire**

**COMMON ENEMIES  
TO GUARD AGAINST**

1 FIRE	9 LIGHTNING
2 MOTOR ACCIDENT	10 MARINE DISASTER
3 WINDSTORM & TORNADO	11 RAILROAD WRECK
4 PERSONAL ACCIDENT	12 FALLING AIRCRAFT
5 SICKNESS	13 EXPLOSION
6 DAMAGE CLAIMS	14 RIOT & CIVIL COMMOTION
7 BURGLARY	15 EARTHQUAKE
8 ROBBERY	16 FORGERY
17 DISHONESTY	

**FIRE**, controlled, is an ally of infinite power—man's indispensable servant, but within its fiery heart lurks a **DEMON** of destruction.  
 The cheerful **FIRE** that gently warms the home will **DEVOUR** without mercy if, even for a moment, our safeguards are relaxed.

## LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey—ORGANIZED 1855

The Girard Fire & Marine Insurance Co. ORGANIZED 1853 The Mechanics Insurance Co. of Philadelphia " 1854 Superior Fire Insurance Company " 1871 The Metropolitan Casualty Insurance Co. of N.Y. " 1874	Milwaukee Mechanics' Insurance Company ORGANIZED 1852 National-Ben Franklin Fire Insurance Co. " 1866 The Concordia Fire Insurance Co. of Milwaukee " 1870 Commercial Casualty Insurance Company " 1909
<b>WESTERN DEPARTMENT</b> <small>844 RUSH STREET, CHICAGO, ILLINOIS</small> <b>CANADIAN DEPARTMENT</b> <small>461 BAY STREET, TORONTO, CANADA</small>	<b>EASTERN DEPARTMENT</b> <small>10 Park Place Newark, New Jersey</small>
<b>PACIFIC DEPARTMENT</b> <small>220 BUSH STREET, SAN FRANCISCO, CAL.</small> <b>SOUTH-WESTERN DEPT.</b> <small>912 COMMERCE STREET, DALLAS, TEXAS</small>	

## Local Agents in Fortieth Year Rally

### Agency System Is at Stake Today

**Trend Toward Direct Production  
of Business Now Vital  
Issue**

### AGENTS FACE CHALLENGE

**Secretary Bennett Gives Keynote Ad-  
dress at Big Agents' Conven-  
tion in Pittsburgh**

PITTSBURGH, Sept. 30.—The paramount issue facing agents today is whether or not the American agency system shall continue unimpaired or shall give way to direct production, according to Walter H. Bennett, general counsel and secretary of the National Association of Insurance Agents, who gave his keynote address, "Life Begins at Forty" at the 40th anniversary convention of the organization here.

"It is my sincere conviction," he declared, "that the one problem which overshadows all others in this day of grace, is the direct production of insurance premiums by companies in disregard of the integrity, sufficiency and perpetuity of their own agents. Interwoven with and as a part of this trend is a new departure called wholesale insurance. Wholesale insurance, the demand of certain large buyers, is directed at brokers, companies and sometimes agents. If it shall come to pass it will be because of regrettable acquiescence. Paralleling this is the question of the rather constant cutting down of the agent's percentage of compensation on the different lines of insurance, approaching alarming proportions. If these trends continue unopposed they will grow stronger and multiply. If they do, the livelihood of the agents of the United States is in jeopardy. The challenge is real and unmistakable."

### Insurance Partnership Venture

Reemphasizing the fact that the insurance business is a partnership venture in which the interests of companies and agents are inseparable, Mr. Bennett pointed out this is true only provided there is a will to preserve the partnership relation. If and when there comes a belief on the part of company management that there is another way to carry on, which does not include the agency system, then the dual relationship would instantly cease and there would of necessity be invoked the first law of nature. Insurance in America is what it is today, he declared, because of the system that has made it great.

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### Preconvention Activities at National Association Meeting

PITTSBURGH, Sept. 30.—Wednesday may start the big ball rolling at these annual conventions of the National Association of Insurance Agents but the three days before are packed with events. The executive committee begins its sessions the Saturday before the convention, meeting all that day and continues in session Sunday. This year is originated the custom of holding a joint meeting all day Monday with the state presidents.

On Sunday evening the local committee in charge of the convention arrangements gives a dinner to which are invited the officers, members of the executive committee, executive staff and past presidents of the National Association of Insurance Agents, and their ladies.

### Executive Secretaries Meet

Then on Monday the executive secretaries and managers of state associations and local boards hold a meeting. This year Alfonso Johnson, manager of the Dallas Association of Insurance Agents, presided and Geo. Brown of Detroit, executive secretary of the Michigan association, acted as secretary. F. S. Dauwalter of New York City, director Business Development Office, outlined the work of that bureau and told what is expected of the agents.

Tuesday morning starts with the National Council breakfast conferences. E. J. Cole of Fall River, Mass., presided over the eastern councillors' gathering; Geo. W. Carter of Detroit over Western Underwriters Association territory; H. C. Arnall of Newnan, Ga., over S. E. U. A. people and E. R. Pickett of Sacramento, Cal., over Rocky Mountain and Pacific coast territory.

Following these conferences, the National councillors and state officers held a joint meeting presided over by Executive Chairman W. Owen Wilson.

In the afternoon of Tuesday were the local board conferences, there being three groups, classified according to population. A. V. Livingston of Englewood, N. J., presided over the smaller

### Special Issue This Week Covering Agents' Meet

A special issue covering the annual meeting of the National Association of Insurance Agents in Pittsburgh will be published this week by The National Underwriter and sent to all subscribers. C. M. Cartwright, who covered the first meeting of the organization 40 years ago for The National Underwriter, is reporting this year's meeting.

population group; W. P. Welsh of Pasadena, Cal., over the middle group and Theodore Safford of Cincinnati over the large city people.

The annual get together dinner on Tuesday evening is the prelude to the big gathering the next morning. President Kenneth H. Bair in fine fettle was in charge. The official greeters are heard. Insurance Commissioner O. B. Hunt spoke for the state, J. W. Henry for the Pennsylvania Association of Insurance Agents, President C. C. Kohne for the Pittsburgh Fire Insurance Agents Association and President R. H. Alexander for the Pittsburgh Insurance Club. C. F. Liscomb of Duluth, executive committee responded.

### John A. Bryant Presented

President Bair presented the past presidents and distinguished guests. Chairman Wilson introduced the members of the executive committee, all in glittering array.

One of the "Immortal Twenty" who founded the association in Chicago 40 years ago, John A. Bryant of Kansas City, was on hand, was presented, spoke briefly, and was given a genuine ovation. The other survivor, G. D. Markham of St. Louis, will be present at the meeting later as he could not reach Pittsburgh for the banquet.

### Name J. F. Allebach as the New Deputy in Missouri

JEFFERSON CITY, MO., Sept. 30.—Superintendent O'Malley announces the appointment of J. F. Allebach, Kansas City, now counsel for the department, as deputy superintendent. He will replace George A. S. Robertson who is leaving the department. Prior to his appointment in 1934 as an attorney in the department, Mr. Allebach practiced law in Kansas City.

### Drop in Underwriting Profit

The A. M. Best Company has made a compilation, based on the experience of about 100 companies, indicating that the underwriting profits of stock companies for the first six months of 1936 were lower by about 66 percent for all lines of business than for the same period in 1935. The Best Company finds that the ratio of losses incurred to premiums earned was 47.4 percent for the first half of 1936 as compared with 41.7 percent for the first half of 1935. The expense ratio increased from 48.2 percent to 49.2 percent. The combined loss and expense ratio is 96.6 percent compared with 89.9 percent last year. The profit margin thus dropped from 10.1 percent to 3.4 percent. This group of companies showed premiums written for the first half of 1936 about \$143,100,000 and for the first half of 1935, \$144,151,000.

### Agents Meeting Is in Full Swing

**Convention of National Association  
Draws Big Crowd to  
Pittsburgh**

### CHIEF FEATURES SHOWN

**Organization Is Celebrating the For-  
tieth Anniversary of Its Founding  
at This Gathering**

### By C. M. CARTWRIGHT

PITTSBURGH, Sept. 30.—Forty years ago today a group of 20 agents assembled in a room in the Great Northern Hotel in Chicago and founded the National Association of Insurance Agents. Of that assembly two—Geo. D. Markham of St. Louis and John A. Bryant of Kansas City—alone survive and both are here. It started in a groping, humble and struggling manner with its future most uncertain. Those pioneers were determined and they had a vision.

Today as one sees this great organization in action with every state save one organized, as the large group of company officials and field men assemble here, as the presidents of all the national and sectional fire and casualty bodies bring formal greetings by being assigned a place on the program—nine in all—with the president of the National Association of Insurance Commissioners gracing the platform and giving an address—with this vast assemblage of local agents from all parts, life indeed has gotten a fine start at 40.

### Convention Well Under Way

When do the wheels really begin to turn? Today is the first day of the convention proper and yet Monday and Tuesday were fairly whizzing with activities and last night saw the banquet.

It was a far cry from that small gathering in Chicago to this magnificent assemblage today. Secretary W. H. Bennett with voice in excellent timbre made the keynote address this morning, he eloquently reviewing the work of 40 years and pulling back the curtains for a glimpse ahead. Kenneth H. Bair of Greensburg, Pa., president, gave the report of the administration and by the way he is presiding in an easy but decisive way. He has grown in mental stature with the responsibilities of his office.

Sidney O. Smith of Gainesville, Ga., executive committeeman, as membership committee chairman, reported an all time high mark in members.

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## Suggestions Are Sought on Change

Superintendent Pink of New York  
Asks Agents for Recommendations

### POLICY REVISION IS UP

Executive Committee of the National  
Association Will Take Poll of  
the Various Bodies

PITTSBURGH, Sept. 30.—At the meeting of the executive committee of the National Association of Insurance Agents, a letter was received from Superintendent Pink of New York stating he, as chairman of the Committee of the National Association of Insurance Commissioners taking up the question of revising the standard fire policy, was seeking suggestions from the agents. The executive committee had a meeting with the state presidents and it was decided to take a sort of referendum among the state bodies as to whether a revision seems necessary and, if so, along what lines.

Mr. Pink desires to have the material on hand previous to the mid-year meeting of the insurance commissioners at Hot Springs, Ark., the week of Dec. 7.

#### Want Policy Simplified

The feeling prevails that the standard policy should be simplified and clarified. In the discussion the statement was made that often the policy provisions were nullified by endorsements. Some of the members feel that there should be a revision of the various casualty policies as well as fire. A suggestion was made that a small deductible amount should be introduced in the fire policy. It is hoped that with this poll of the state bodies, a number of suggestions will be forthcoming.

W. Herbert Stewart of Chicago was appointed to represent the National Association of Insurance Agents at a conference at the casualty convention in White Sulphur Springs next week, where the Acquisition Cost Conference of companies will meet a committee from the National Association of Casualty & Surety Agents. It was desired that the National Association of Insurance Agents be represented. This conference will deal with the subject of contract bonds running to the government, where it seems necessary to reduce the rate but the agents object to a reduction in commissions, claiming that the burden is placed on them and none on the companies.

#### Question of Qualifying Bonds

Complaint was made that stock companies are issuing qualification bonds for mutuals and reciprocals, required in some states under the financial responsibility laws. The executive committee was asked to contact companies engaging in this practice. Sidney O. Smith, of Gainesville, Ga., chairman of the membership committee, said that a number of the state units prefer an annual membership campaign to be assigned to September and have all concentrate on solicitation in that one month.

F. S. Dauwalter, director of the Business Development Office in New York City, appeared before the joint meeting to explain the working of his office and the plan that is to be followed.

W. H. Menn of Los Angeles was appointed chairman of the committee to decide the winner of the Des Moines attendance cup, that being the state as-

(CONTINUED ON PAGE 24)

## Liscomb Seems Slated for Committee Chairman

PITTSBURGH, Sept. 30.—W. Owen Wilson of Richmond, Va., chairman executive committee of the National Association of Insurance Agents, will be elevated to the presidency Friday according to the unwritten law of succession. The keen interest therefore centers on the new chairman each year. A safe prediction at this time, although the nominating committee will not meet until tomorrow evening, is that Charles F. Liscomb of Duluth, a member of the executive committee, will be elevated to the place. It should be said that if Sidney O. Smith of Gainesville, Ga., would accept the chairmanship, he would be elected by acclamation. He has done yeoman's service as membership committee chairman and he gave weeks in New York City as the representative of the National association in formulating plans for the Business Development Office. He rendered excellent service at Washington, D. C., and has given freely of his time to the southern interests. Mr. Smith has been spoken of as the ideal man to represent the National Association of Insurance Agents permanently in the Business Development Office. That would mean his moving to New York City and giving all his time to this important bureau.

The devastating tornado that struck his city in April has increased Mr. Smith's work many fold. Property in which he was interested was destroyed. Taking all these factors into consideration it does not seem likely that the genial and popular Sidney can be in-

## Wingett Made President of Pennsylvania Agents

### ANNUAL MEET AT PITTSBURGH

Commissioner Hunt of Pennsylvania  
Gave a Talk on the Work of  
Unlicensed Companies

#### NEW OFFICERS ELECTED

President—W. F. Wingett, Scranton.  
Vice-presidents—Warren R. Roberts, Bethlehem, and Harry M. Albert, Stroudsburg.  
Treasurer—Everett D. Thomas, Scranton.  
Secretary-manager—Frank D. Moses, Harrisburg.

#### By J. C. O'CONNOR

PITTSBURGH, Sept. 30.—The Pennsylvania Association of Insurance Agents held its abbreviated annual meeting Monday afternoon at Pittsburgh with President J. W. Henry of that city in the chair. Only one formal speech was scheduled, that of E. S. Joseph, deputy insurance commissioner, but Commis-

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duced to assume the responsibilities of the chairmanship.

If Mr. Smith definitely decides not to accept the office then his confrere, C. F. Liscomb, it would seem, is the logical man. He is well ballasted and has given freely of his time, money and energy to the cause of the organization.

## THE WEEK IN INSURANCE

Annual meeting of the National Association of Insurance Agents is being held this week at Pittsburgh. Page 3

W. Owen Wilson will become president National Association of Insurance Agents and it seems that C. F. Liscomb of Duluth may head executive committee. Page 4

National Association of Insurance Agents will take a poll of the state units on revision of the standard fire policy. Page 4

Activities of the National Association of Insurance Agents prior to the big convention proper. Page 3

W. O. Wilson presents report of committee on retrospective rating plan at Pittsburgh convention. Page 27

Plans completed for nation wide observance of Fire Prevention Week Oct. 4-10. Page 7

Walter H. Bennett, general counsel and secretary, gives keynote address at Pittsburgh convention of National Association of Insurance Agents. Page 3

Chairman Kenneth H. Bair gives report of conference committee on production branch offices at Pittsburgh convention. Page 5

Annual meeting of the Pennsylvania Association of Insurance Agents was held this week at Pittsburgh. Page 4

Vermont Association of Insurance Agents at 30th annual convention at Lake Morey, Vt., elects E. L. Livingston of North Troy as president. Page 12

How to meet mutual competition told by F. S. Dauwalter before big agents' convention in Pittsburgh. Page 5

Governor Davey of Ohio will not ask for fire rate cut Superintendent Bowen announces. Page 11

W. Owen Wilson, Commissioner Carpenter of California and other notables on program of California agents' convention at San Jose, Oct. 21-23. Page 18

Tax on premiums is unfair levy in country, Harry Grannatt, vice-president Dooley & Co., Portland, Ore., tells Controllers Congress at San Francisco convention. Page 6

The agent must be an underwriter, declared T. C. Foster at the Vermont Agents Association meeting at Fairlee. Page 27

Herbert A. Faunce elected president of New Jersey Association of Underwriters at annual meeting in Atlantic City. Page 4

Detailed program for annual convention of the Kansas Association of Insurance Agents at Wichita is announced. Page 16

New plan for rehabilitation of Pacific Mutual that has been filed by Commissioned Carpenter of California receives the endorsement of all those principally interested in the matter. Page 27

National Board would welcome greater interest and cooperation of local agents, President Koeckert tells National Association convention at Pittsburgh. Page 5

Committee headed by T. J. Falvey is considering what action to take to counteract the effect of the allegation by Commissioner DeCelles of Massachusetts that the companies have been padding their automobile public liability loss reserves. Page 28

W. Owen Wilson emphasises danger of cooperative consumers buying movement at Pittsburgh meeting. Page 30

Tribute paid President A. Duncann Reid at 25th anniversary celebration of Globe Indemnity. Page 29

Workmen's compensation rate increase denied in Florida by Commissioner Knott; recommendations made. Page 28

Safety and soundness are primary considerations in writing noncancellable A. & H. insurance, President Young of Monarch Life tells agents convention in Washington. Page 28

Competition of 50-50 plate glass form in Chicago results in National Bureau of Casualty & Surety Underwriters relinquishing rate control there to companies; rate warfare looms; all companies confer this week. Page 29

Program of Missouri Association of Insurance Agents annual convention at Columbia Oct. 8-9 is announced. Page 16

Industrial Insurers Conference, in annual meeting, hears some observations on the power of the insurance commissioner to prescribe policy forms in address of A. F. Canfield of Washington. Page 13

## Faunce Is Elected New Jersey Head

Commissioner Withers Praises  
Agents' Service in Handling  
State Controlled Risks

### ATLANTIC CITY MEETING

Great Membership Gains Reported by  
Most Local Boards—State Roster  
Also Sets Record

ATLANTIC CITY, Sept. 30.—The annual meeting of the New Jersey Association of Underwriters held here was one of the most successful in the association's history, both from the standpoint of attendance and interest in the discussions and addresses.

President E. M. Schmults extended the welcome, which was followed by reports of vice-presidents, nearly all rating membership gains in local boards. The association membership is the largest since the separation rule went into effect. Plans are under way in Ocean and Somerset counties to form local boards, so but few counties now are without them.

Herbert A. Faunce was elected president. Other officers are: Secretary-treasurer (reelected), A. V. Livingston; chairman executive committee, C. E. Meek, Jr., and Col. Frederick Hickman, national councillor.

#### Regional Vice-Presidents

Vice-presidents representing their respective counties are: Atlantic, W. J. Wilson; Bergen, C. S. Fountain; Burlington, H. F. Stockwell, Jr.; Camden, W. B. Hambleton; Cape May, A. M. De Maris; Cumberland, C. H. Reeves; Essex, W. A. Schaefer; Gloucester, J. S. Holston; Hudson, A. S. Turteltaub; Hunterdon, C. A. Reger; Mercer, W. J. Waldron; Middlesex, G. W. Miller; Monmouth, S. E. Pawley; Morris, W. G. Hurtzig; Ocean, R. Voorhees; Passaic, E. E. Dudley; Salem, O. W. Acton; Somerset, T. D. Van Syckle, Jr.; Sussex, W. R. Sprague; Union, H. F. Beck; Warren, A. B. Craig.

C. Stanley Stults, discussing the methods of improving the service of the banking and insurance business of various organizations taken over by the state, stated the insurance department was gratified with the way the business was being handled and over a period of several months there had been a saving in premiums of more than \$12,000, principally through a survey of property and in many instances rate reductions. The greater part of the business was in Essex and Passaic counties.

There was a get-together dinner the first night attended by many company officials. W. J. Waldron of Trenton, was master of ceremonies in an entertainment program.

#### Report No Bad Legislation

It was decided the second morning that the annual reports should be printed in the "New Jersey Agent," monthly publication of the association. Harry Godshall, chairman legislative committee, reported that during the 1935-1936 session of the legislature no insurance measures were passed that were detrimental to the business. Frederick Hickman, national councillor, advised the members to take more active interest in safety work. This will help to reduce rates, he said. W. F. O'Brien, chairman publicity committee, was presented a bound volume of the

(CONTINUED ON PAGE 35)

## Branch Office Is Important Issue

Solution to Problem Seen in Regulation by the Local Boards

### K. H. BAIR MAKES REPORT

Equalizing Branch and General Agency Costs Urged at Agents' Meeting in Pittsburgh

PITTSBURGH, Sept. 30.—The solution of the problem of production branch offices lies largely in adoption by local boards of the by-law presented by the local board committee of the National Association of Insurance Agents at its mid-year meeting at Atlanta. This action was advised in a special report of the conference committee on the subject given at the 40th anniversary convention of the association here, by Chairman Kenneth H. Bair.

Under the by-law, local board rules are to be amended to provide for equality of production branch office operating costs with prevailing local agency and general agency commissions. The following was also provided for inclusion in the by-laws of every local board: "No member shall place or receive business, directly or indirectly, with or from any company which operates within board territory a production office, unless there is filed with the officers of this board in a form prescribed by this board, a statement certifying that the maximum expense of conducting such production office, exclusive of home office service which it may provide, does not and will not exceed an amount equal to the commission and/or other acquisition expenses which said company pays or would pay to agents who are members of this board."

#### Adoption Is Urged

The report urged that such local boards as had not as yet adopted the recommendation take immediate action, as conferences since the Atlanta meeting indicate that enforcement machinery will be largely in the hands of local boards.

The report stressed the fact that it is only the production expense feature of branch offices which concerns the agent. This was made clear at a meeting in New York on April 29 between the conference committee and representatives of the acquisition cost conferences for casualty and surety insurance. A number of company representatives, it was stated, apparently considered that agents were opposing the cost of strictly company home office functions which some branch offices performed. However, the differentiation was clarified between strictly service offices and those in competition with agents, which are termed "production" branch offices.

#### Agreement Is Reached

At the New York conference, casualty representatives agreed that strictly production costs in branch offices and home office counters should not exceed general agency commissions. They also agreed that whether a company elects to produce its business through general agents or its own branch offices, neither method of operation should of itself afford an advantage or create a disadvantage. It was recognized that

(CONTINUED ON PAGE 24)

## National Board and Agents Have Interests in Common

COOPERATION IS NECESSARY

President Koeckert of the Board Extends Greetings at Big Convention in Pittsburgh

PITTSBURGH, Sept. 30.—Increased interest and cooperation from local agents would be welcomed by the National Board, declared F. W. Koeckert, United States manager Commercial Union group, speaking at the Pittsburgh convention of the National Association of Insurance Agents. Mr. Koeckert extended the greetings of the National Board, as its president.

The objects and purposes of the board, he said, are analogous to those of the National association. He said the board would welcome cooperation of agents in the suppression of incendiarism; improving methods and standards of building construction; adoption of adequate fire protection measures; efficient organization and equipment of fire departments; enforcement of ordinances regulating hazards dangerous to life and property, and in adoption of standards for protective devices of all kinds. "You are also interested," he stated, "in promotion of such laws and regulations as will secure stability and permanent safety for capital funds employed in the fire insurance business, as well as protection against unwise and unjust legislation. In dealing with all these matters a cooperative spirit alone promises any real and lasting success."

#### History Is Reviewed

Mr. Koeckert reviewed briefly the history of the two organizations, stating the National Board welcomed the organization of the National association in the belief the cause of stock company fire insurance as a national system would be advanced, and that its efficiency would be improved. The two organizations are bound together, he said, "not only by the ties of common respect, but also by inseparable partnership in a great public servicing enterprise." He paid tribute to the stock fire business for its record during the severe test of the depression years. Throughout the era of panic, he said, stock fire companies provided protection for every proper applicant and, through the confidence existing between companies and agents, valuable support was given to the entire business structure of the nation. He labeled insurance as the "very lifeblood of credit, hence the supply of credit for the production and distribution of goods directly depends to a great extent on the financial strength of the fire insurance companies."

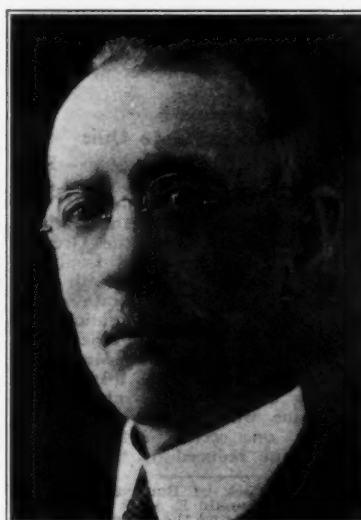
#### Will Aid Prosperity

He predicted that stock fire insurance will play a vital part in reestablishing national prosperity. As never before, he said, all owners of capital realize that investments must have protection against the hazards to which all property is exposed. This, he called the agent's golden opportunity and also his great responsibility. Property owners require complete coverage for every contingency that may threaten loss. "Consequently," he declared, "we are obligated to develop and provide every kind of service that falls within our field, not only in providing protection against fire and other losses, but also the greater service of safeguarding society against the occurrence of such losses."

#### Eberle Is Prevention Head

W. S. Eberle, general agent and secretary-treasurer Oklahoma State Fire Prevention association, was appointed chairman fire prevention committee, Oklahoma chamber of commerce, to succeed Ansel Earp.

## Veteran Unable to Attend National Association Meet



STEPHEN D. SEXTON

Stephen D. Sexton, president Southern Illinois Company, East St. Louis, Ill., expected to go to the meeting of the National Association of Insurance Agents at Pittsburgh this week but owing to illness his doctor advised him not to make the trip. Mr. Sexton was not registered as one of the charter members of the National Association of Insurance Agents, although he attended the organization meeting in Chicago, Sept. 30, 1896. Mr. Sexton started to work for his brother, H. D. Sexton in 1886, when he was 19 years of age. He is now 75.

H. D. Sexton was operating an agency in East St. Louis representing the Home of New York and Springfield F. & M. There was only one other agency in the city at that time and it was operated by the late Thomas L. Fekete, who was one of the charter members of the National association, and was so recorded. Mr. Sexton's brother, H. D. Sexton, and George D. Markham were good friends. Mr. Markham induced H. D. Sexton to go to Chicago and he took Stephen D. along with him to visit some of the insurance offices. The two Sextons attended the meeting at the Great Northern and after adjournment visited some of the agents and western departments. Neither of the Sextons appear on the record as original members of the National association, which is unfortunate.

## Pink Seeks Company Views on Standard Policy Change

NEW YORK, Sept. 30.—Suggestions for desired changes in the present standard fire policy is solicited from executives by the department at Albany, with a view to their consideration by the special committee of the National Association of Insurance Commissioners, appointed some months ago to deal with the subject. Superintendent Pink of this state is chairman of the committee, with Commissioners Blackall, Connecticut; Ketcham, Michigan; Hunt, Pennsylvania, and Dawson, South Dakota, as associates. The present New York standard form became effective in 1918 following a study of the old policy by a legislative committee assisted by several fire company officials.

May Kolker, formerly broker with Harlow & Co., has opened his own Class 2 agency as the **Kolker Insurance Agency** at 6677 Delmar boulevard, St. Louis, representing the Fireman's Fund. He is president, Mrs. Belle Kolker, vice-president, and Miss Rose Kolker, secretary-treasurer.

## Security Is Now the Real Factor

Stock Company Agents Should Forget Price Argument of the Mutuals

### F. S. DAUWALTER IN TALK

Head of Business Development Office Exhorts Agents at Convention in Pittsburgh

PITTSBURGH, Sept. 30.—Stock company agents, in meeting mutual competition, were urged to forget the element of price and sell security of indemnity, by F. S. Dauwalter, director Business Development Office, at the convention of the National Association of Insurance Agents here. "When we sell on a price basis," he declared, "we roll the ball right down the mutuals' alley. That is exactly what they want us to do. If the issue of security can be confused and if price can be made the paramount consideration, there is no question but that the advantage lies on the side of the non-stock carrier. When proper consideration is given to security, however, the advantage almost invariably lies on the side of stock companies."

The past four years, Mr. Dauwalter said, mutuals have redoubled their efforts at expansion due to the price appeal during the depression. They are now endeavoring to prove that they are "just as good" as stock companies, and even better. Consequently, stock company agents often permit themselves to be stampeded and, losing sight of fundamentals, attempt to meet this type of competition only by striving for rate reduction. However, rate reduction under pressure of competition creates a spirit of resentment and reacts unfavorably on stock company insurance rather than otherwise. The only proper method of meeting this competition, he said, is to emphasize security of stock company insurance.

#### Financial Strength Compared

Comparing the financial strength of a stock company writing a large volume of business, to that of a typical group of mutuals, Mr. Dauwalter stated in 1935 the mutual group had a ratio of net liquid funds to net premium income of 112.8 percent. The ratio of the stock company, on the other hand, was 271 percent. On this basis, the mutual group extended to its policyholders only 42 percent of the security extended by the stock company. Consequently, unless the mutual policyholder is receiving a dividend of at least 58 percent, he is not even getting value received. He would therefore not be justified in sacrificing 58 percent of his security for a saving of only 25 or 30 percent in premium cost.

This factor, Mr. Dauwalter declared, should be emphasized more widely by stock agents. What manufacturer, for instance, in purchasing raw materials for his factory, is willing to sacrifice 58 percent of the quality of those materials to save 25 percent in price, he asked. Therefore, if a property owner is unwilling to sacrifice quality he cannot consistently justify himself in the purchase of mutual insurance.

Mr. Dauwalter touched on two arguments used by mutuals, one of which is the non-assessable policy. Many mutuals have abandoned the assessable form wherever statutory requirements

(CONTINUED ON PAGE 24)

## Luke Hart Characterizes O'Malley as Clown, Czar

Luke E. Hart of St. Louis, supreme advocate of the Knights of Columbus, has issued a blistering statement concerning Superintendent O'Malley of Missouri. Mr. Hart was prompted to speak when Mr. O'Malley declared that those fraternal societies that contributed to the Fraternal Benefit Protective Association of Missouri were contributing "to a political club."

"The threat of Commissioner O'Malley to revoke the licenses of fraternal benefit societies who contributed to the fund of the Missouri Fraternal Protective Association," Mr. Hart declared, "is typical of the man who has been responsible for more unpleasant and disagreeable situations in connection with this administration than all the others identified with it."

"The Fraternal Protective Association of Missouri was formed to protect the fraternal societies of this state from the outrageous and unwarranted attacks of Mr. O'Malley. This association was formed as a matter of necessity in order to preserve the fraternal system in Missouri. The Knights of Columbus was one of a large number of societies which joined in that undertaking. It

contributed its share of the expense and it will continue to do so just as long as this work appears to be necessary. "We are not afraid of Czar O'Malley and we will not be bluffed or intimidated by him. He has proved himself to be the clown of the administration and that our campaign has been effective is demonstrated by the fact he was completely repudiated by the recent Democratic state convention."

### Oregon Fire Rate Quiz

SAN FRANCISCO, Sept. 30.—Following a detailed investigation by Commissioner Earle of schedules of fire rates promulgated through the Oregon Insurance Rating Bureau, the Oregon committee of which Clifford Conly is chairman, has filed a brief with Mr. Earle supporting the present rate set-up and schedules. The investigation for which companies are being billed, and which is being conducted by Mr. Earle through Kingston Pickford, formerly of the Texas department, is presumably to determine whether the schedule of fire rates on certain classifications should not be reduced by the bureau.

Samuel E. Auck of Bucyrus, O., has taken his son, Donald E. Auck into partnership with him and the agency will be known as the S. E. Auck Insurance Agency.

## Controllers Congress Is Told Premium Tax Unfair

### GRANNATT URGES OPPOSITION

General of Seattle Representative Calls on Laymen to Take More Interest in Situation

Characterizing taxation of insurance premiums as "one of the unfair taxes there is" and urging that there be more interest in "the other fellow's tax problems" so that a more efficiently organized opposition to taxes of this nature might be presented, Harry Grannatt, vice-president of Dooley & Co. of Portland, agents General of Seattle, was one of the principal speakers before the Controllers' Congress Pacific Coast regional convention in San Francisco.

Discussing "Ways and Means of Reducing Insurance Costs," he pointed out that agents' commissions are the biggest item in expense ratio of companies, adding, "it is generally conceded that agents' commissions on your type of property have been too high."

He decried the practice of many large purchasers of insurance in "making their insurance do double duty; that is, buy the good will of every insurance agent in town who is a customer or potential customer, and at the same time obtain adequate protection for the store at the lowest available cost," pointing out such a practice makes the solution of the buyers' insurance problem much more difficult, adds materially to the cost and is "quite inconsistent with efficient buying." One agent, he said, writing an entire line represented by one store, could do so for 5 percent with profit to himself.

He urged his listeners to set up definite specifications as to the policy contract and the carrier, explaining the difference between stock, mutual and reciprocal plans of operations. He told also of operations of the various rating organizations, pointing out that membership or non-membership in the "board" bears no relationship whatever to the financial strength or loss-paying record of a company.

### Considers Company Expense

Mr. Grannatt said among all companies reporting to the National Board in 1935, average expense ratio was 49.8 percent of premium earned, leaving only half the premium to cover claims paid to policyholders. Of this amount, however, 20 to 25 percent was agents' commission and a little over 5 percent taxes on premiums. He pointed out that such taxation is "a very real menace to the insurance business and to every policyholder. Insurance is supposed to be a contribution to distribute the catastrophe losses of the country, and why the man who is provident enough to carry insurance and bear his proportion of the general burden should pay an extra tax on his insurance premium for the privilege of so doing is a question to which nobody has given a satisfactory answer.

The maintenance of insurance departments to supervise and regulate the business accounts for only a very small proportion, less than one-tenth of this tax. It could be done efficiently for less than this. The practical aspect of the matter is that 400 or 500 millions of insurance premiums going into a few channels where they may be easily levied upon offers a tempting target for tax-gathering bodies. They can't keep their hands off it. When a proposal is made to tax insurance premiums very little protest is heard except from insurance companies, and these are classed among the money powers—the vested interests—for which few people have any sympathy. Taxation is based upon political expediency—get the largest revenue and lose the fewest votes—and the politicians figure insur-

## Over 200 Attend Meet of National Mutual Agents

The annual convention of the National Association of Mutual Insurance Agents was held in Cincinnati with about 225 agents and company officials present. This association had its origin about five years ago in Washington and has spread thus far mostly through the south and middle west, but plans now to have state associations of mutual agents in each state. During the past year South Carolina, North Carolina, Mississippi and Alabama have organized and Georgia will be organized before the next meeting. The place and date of the next annual meeting were not decided upon at Cincinnati but the convention will probably be held either at Richmond or New York. The association now has about 550 members. The number of mutual agents throughout the country is not known, but the Lumbermen's Mutual Casualty of Chicago alone has over 7,000 agents.

On the first day there was a golf tournament and in the evening a stag party. The delegates were welcomed the next morning by Mayor Wilson and following his address greetings were offered from the Ohio Mutual Insurance Union. Emmett V. Thompson of St. Louis gave the president's address and he was followed by C. H. LaFleur, president Sales Engineering Institute, who spoke on the "Buyer's Clinic." There was an address by John G. Paine, chairman of the management group of the Council for Industrial Progress. Albert R. Peters, president Mutual Insurance Agency of Washington, D. C., spoke on "I Remember." Ambrose Kelly of the American Mutual Alliance of Chicago discussed "Standard Provisions for Automobile Policies." Newspaper advertising was discussed by Dudley Kincaide; "Direct Mail" by Charles M. Boteler and "Window Display" by Bryson F. Thompson, of New Haven, Conn., the new president; "Use and Occupancy Insurance and How to Sell It" was discussed by Glenn C. Webb of Lima, O. The banquet was in the evening.

### New Officers Given

The following morning W. Harold Howatt of Springfield, Mass., spoke on "Why I Am a Mutual Agent"; C. C. Jennings of Baltimore discussed "Competition and How to Meet It"; Sam S. Chandler of Macon, Ga., made a talk on "Selling Mutual Fire Insurance," and Bryson F. Thompson of New Haven spoke on "Sales Manuals and Their Use."

E. V. Thompson of St. Louis, president last year, becomes chairman of the board; Bryson F. Thompson of New Haven, Conn., is the new president; Chester C. Jennings of Baltimore, Fred E. Ruenning of Bristol, Va., and F. B. Ballou of Norfolk, Va., were elected vice-presidents; James F. Minor of Charlottesville, Va., is the new treasurer succeeding Julian T. Burke of Alexandria, Va.; E. I. Oakes of Washington was reelected secretary. George Ratliff of Jackson, Miss., George Irving, Mobile, Overton Woodward of Richmond, Va., and Lawrence Murray of Columbus, Ga., are new directors.

ance premiums tax gets the money but costs few votes.

"It is a tax on economy," he said, "a tax on prudence, levied regardless of the ability to pay, discriminating against the substantial, responsible merchant and manufacturer, and in favor of the fly-by-night who assumes his own risks incidental to the transaction of business, or makes his creditors assume them. We should all of us take more interest in the other fellow's tax problems and present a more efficiently organized opposition to taxes of this nature."

Help Wanted

7-word want ad under this heading for 7 days costs only \$2.43. Mail your ad to Star or phone it to Harrison 1200.

Applicants should not send original letters. Recommendation in answering advertisements. Please send duplicate. Photographs show faces plainly. Name and address.

Help Wanted—Male

WNING must be experienced; Standard, Awning Co., 8816

esman—With truck, wholesale, used pies and rolls; state ins. Address D 2 Star.

Quick; must be old head. E. Scripser, Herington.

24 E. 39th.

Saturday, 11:12

ng. Sat

Help Wanted—Female

pairs; gu. West, telephone

and tuning, \$1.50, including; guaranteed. Weber, 4894.

Register bldg., Ka. 30.

WB have attra. for salesmen t trailers; if intere. HI. 2358.

SALESMEN—High for clerk work.

Agents W

MEN and women with experience in sales work. Call and see Mr. J. G. 2.

Help Wanted—In

60c an app. line ea; \$1.20; 55c a line each 4 days; 50c a line each 6 days.

6 SALESMEN, 25 to 30; sible; good company; young men stenograp THE BULLETIN, Em RUSH Clerks!!! Hdw drugs, \$70 ship. \$80; warehouse, RUSH—Air Harris-Pa!

WANTED — Progressive agents — capable of MAINTAINING the fine enthusiasm of the Pittsburgh Convention — to take on KANSAS CITY FIRE & MARINE! Write Morton Jones, president.

Managed by R. B. JONES and SONS Inc.

KANSAS CITY Fire and Marine

INSURANCE COMPANY

CHICAGO OFFICE: INSURANCE EXCH

KANSAS CITY MISSOURI

## Fire Prevention Week Set For Observance Oct. 4-10

### NATIONWIDE PROGRAM READY

U. S. Chamber of Commerce, National Board, Western Actuarial Bureau to Take Part

Reports from all sections of the country indicate that final plans are being completed for the observance of Fire Prevention Week, which has again been set from Oct. 4 to 10. The Chamber of Commerce of the United States is cooperating in the campaign and has appealed to its member organizations, trade associations and other business men's groups to play an active part with appropriate programs of fire prevention activities.

President Roosevelt has issued a proclamation setting aside the week, and stating that although annual fire loss in the United States had "been materially reduced by preventive measures adopted during recent years, further improvement can be brought about by our common efforts to eliminate fire hazards to the end that the loss of life, destruction of property and suffering caused thereby may be still further reduced."

#### Extensive Plans Made

Various organizations, both national and local, have made extensive preparations for the observance. The Western Actuarial Bureau, Chicago, will take active part, with members of the fire prevention department scheduled four speaking tours. Richard E. Vernor, manager, will speak during the week in Minneapolis, various cities in Illinois and in St. Louis. H. K. Rogers, engineer, will address groups in Tulsa and Oklahoma City, St. Joseph, Mo., and at the Kansas Agents Association convention in Wichita. J. W. Just will also be on a speaking tour, appearing in cities in Michigan, Wisconsin and Minnesota.

The first annual fire prevention conference for central western Ohio will be held at Dayton, Oct. 2. Robert B. Criswell of the Ohio Inspection Bureau and Mr. Vernor will be the speakers. At Memphis, Tenn., broadcasts over four radio stations, and a downtown parade will open the city's observance. A citywide pageant has been planned and fire prevention literature will be distributed during the week. In San Francisco, a demonstration of modern fire fighting apparatus, sponsored by the junior chamber of commerce, will be a feature of the program. The exhibition will be staged in San Francisco stadium with a three story structure erected for the purpose.

During the evening, civic leaders and members of the insurance fraternity there will attend a dinner. The program has been under the guidance of E. M. Taylor, insurance attorney and chairman fire prevention committee of the junior chamber. Among those assisting in the program will be D. L. Burton and E. L. Kemp, Commercial Union; Roy M. Coon, Pacific Board, and S. C. Abbott, Hartford Fire.

#### National Board Action

The National Board has played a prominent part in organizing the nationwide program. The board has sent out numerous releases to newspapers to aid in getting fire prevention literature before the public and has prepared extensive material for national distribution. General Manager W. E. Mallalieu estimated the call for posters, as well as for the new booklets, stickers and other pieces, will be greater this year than ever before.

Although there has been a decrease in national fire losses for each of the past three years, losses for the current year have already mounted. The National Board estimates losses the first eight months of 1936 as totaling \$199,-

562,447, as compared with \$173,891,320 for the similar period last year, an increase of \$25,671,127, or almost 15 percent. A bulletin issued by the Louisiana insurance commission, urging statewide observance of fire prevention week, also called attention to the increased fire losses this year. Programs have been arranged in various sections of the state and the New Orleans Insurance Exchange is cooperating in that city.

#### Wissler Heads Oklahoma Group

W. K. Wissler of Tulsa, Okla., state agent Automobile of Hartford, is new president of the Oklahoma State Fire

Prevention association. Roland Reed, Oklahoma City, state agent Great American, is vice-president, and W. S. Eberle, general agent at Oklahoma City, was reelected secretary-treasurer.

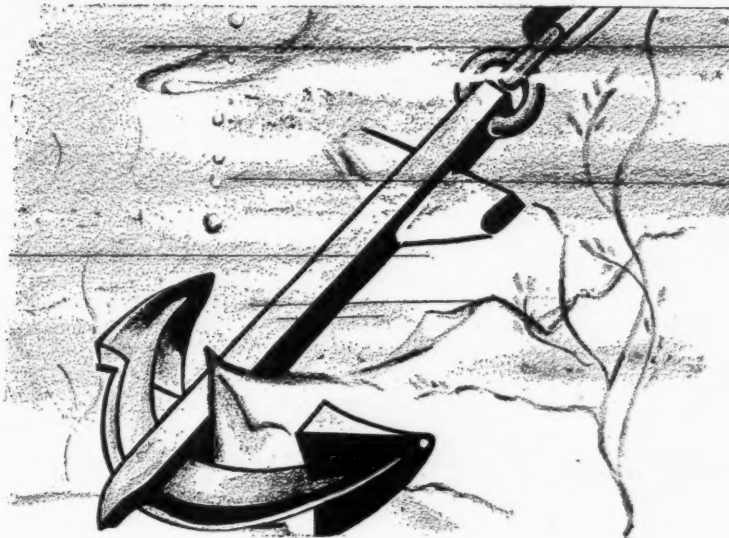
#### Mrs. Vera Bombar Honored

Mrs. Vera Bombar, associated with the Thatcher agency in Pontiac, Mich., for 18 years, was tendered a farewell luncheon by friends and associates, P. J. Moriarty, manager Detroit metropolitan department North British & Mercantile fleet, handling arrangements and being toastmaster. Mr. Moriarty on behalf of her friends presented a remem-

brance to Mrs. Bombar, who is removing to Utica, N. Y., with her husband. Among those present were H. H. and H. M. Thatcher, Harold Johnson and Frank Osgood, Western Adjustment; Glen Edleman and F. J. Shields, Home of New York; E. F. Chaufy, Fire Association; Jack Rogers, North America fleet; R. L. Mouk, secretary, and H. M. Grosvenor, Jr., W. W. Ayrault and E. F. Cunningham, North British.

Miss Mary Sheridan, secretary to Thomas J. English, St. Louis automobile insurance adjuster, and Frank W. Hoffman of the Missouri Inspection Bureau are to be married Oct. 3.

## Security for American Property Owners Since 1841



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From the time of the Ancient Mariner to the present day ocean liner ships have had to use anchors.

The **Security of New Haven**, with its New England background, and in keeping with its traditions has, through consistent policies and proven operations, demonstrated its value to an agent.

An anchor and an asset for any agency.

Do Business with a Strong American Company Operating Through Responsible Agents.

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1841  
**Security Insurance Company**  
OF NEW HAVEN, CONNECTICUT

WESTERN DEPT.  
ROCKFORD, ILL.

*The East and West*  
**Insurance Company**  
OF NEW HAVEN, CONNECTICUT

PACIFIC DEPT.  
SAN FRANCISCO, CALIF.

*The Connecticut*  
**Indemnity Company**  
NEW HAVEN, CONNECTICUT

WESTERN DEPT.: ROCKFORD, ILL.

PACIFIC COAST DEPT.: SAN FRANCISCO, CALIF.

## NEWS OF FIELD MEN

### Ford Is Missouri Chairman

**Field Men's Executive Committee Gather at Jackson City—Plan Educational Meets before Inspections**

JEFFERSON CITY, Mo., Sept. 30.—D. R. Ford of Kansas City, state agent for the Springfield Fire & Marine, was elected chairman of the executive committee of the Missouri Fire Underwriters Association at a meeting of the committee here.

Other committeemen are: Fred Stingle, America Fore, Kansas City; Godfrey J. Giersberg, London Assurance, Kansas City; E. S. Plummer, New York Underwriters, St. Louis, and T. F. Collins, Phoenix of Hartford, St. Louis. Tom W. Caldwell, Jr., Home of New York, Kansas City, is president.

It was reported that agents balances in Missouri are in exceptionally good condition at this time. This is largely due to the settlement of the fire rate cases and the distribution of impounded premiums to agents and brokers.

Lebanon and Jefferson City were selected as the first cities in which fieldmen will hold stock fire insurance programs this fall. The dates have not yet been set.

#### Plan Schools

The Missouri State Fire Prevention Association is planning to sponsor an insurance school for agents and insurance buyers. When the association holds a town inspection, it will hold a school, probably on the night before.

The school also will be held on other occasions, whenever it is feasible. The objective of the association is to have as many as three or four a month, if possible. A school may be held following the stock insurance development programs given by the Missouri Fire Underwriters Association. However, the school will not be a repetition of the underwriters' program. In general it will take up policy analysis, its general purpose being, of course, improvement of public relations.

W. O. Woodsmall, Fire Association, Kansas City, is chairman of the association committee in charge of the school, which will outline subjects and handle the project generally.

#### Keller to Seattle

Orman Keller, special agent at Salt Lake City, with the Commercial Union, has gone to Seattle, Wash., for the Firemen's. He has been president of the Intermountain Field Club. S. E. Rich, Glen Falls, has been elected club president to succeed Mr. Keller.

### Expect Big Blue Goose Rally

**Early Reservations for Oklahoma City Grand Nest Meeting Indicate Large Attendance**

Reservations for the Blue Goose 30th anniversary grand nest meeting in Oklahoma City, Oct. 13-15, are coming in rapidly and substantiating forecast of large attendance, according to C. P. Helliwell of Milwaukee, grand wielder. Several features are being provided on the program in celebration of the anniversary, which also will be the occasion for an elaborate Blue Goose publication.

Committee members of the Oklahoma pond are making extensive arrangements for reception and entertainment of visiting ganders and their ladies. Members of the general committee are A. B. Stewart, general chairman; C. T. Ingalls, vice-chairman, and E. I. Hoyle. T. Ray Phillips of Oklahoma City is most loyal grand gander of the International.

#### Chairmen of Committees

Chairmen of various committees are: Publicity, H. K. Liniger; finance, E. R. Smith; reception, H. C. Seitz; transportation, Rex W. Kendall; hotel, W. G. McCoy; entertainment, F. C. Newcomer; registration, R. M. Miller; golf, R. L. Maxwell; dance, E. H. Clarkson; home office, W. Lyle Dickey, and banquet, T. Ray Phillips. J. K. Shepherd of the "Arkansas Post" is chairman of the co-host committee.

Special entertainment will be provided for visiting ladies, Mrs. Rex W. Kendall being general chairman of the ladies' committee, with an advisory committee composed of Meses. Lee Morgan, C. H. Kelley, Paul Cramm and J. H. Jones.

#### Local Ladies Make Arrangements

Mrs. Austin Rittenhouse is chairman of the luncheon committee for Oct. 14, and Mrs. C. H. Kelley of the luncheon program committee. Mrs. Drew Whitehurst is chairman of the flower committee, and Mrs. E. P. Goetzinger of the city circle tour committee for Oct. 15. Mrs. George Wyatt is chairman of the bridge committee and Mrs. H. K. Liniger of the committee arranging the tea for that date. A number of other prominent insurance women of Oklahoma City are assisting.

In addition to business sessions, ganders will play golf on the opening day at the Oklahoma City Golf & Country Club. There will be an international golf tournament between golfing ganders from Canada and the United States, and a general tournament for others. An in-

formal dinner-dance will be held at the club in the evening. Wednesday evening will be featured by a real outdoor barbecue and Indian pageant, with the closing banquet and dancing party Thursday night.

#### Plan Ladies' Entertainment

A luncheon-meeting of the wives of Oklahoma pond members was held to complete entertainment plans. Mrs. Rex Kendall presided. Most Loyal Grand Gander T. Ray Phillips and Manager C. T. Ingalls of the Oklahoma Inspection Bureau spoke. Formation of a ladies auxiliary in Oklahoma City was recommended by Mr. Ingalls and the suggestion was favorably received.

The tentative program calls for a luncheon of visiting ladies for Wednesday, Oct. 14, at the Biltmore Hotel, under direction of Mrs. Austin Rittenhouse; for Thursday morning a circle tour in charge of Mrs. E. P. Goetzinger; in the afternoon a bridge tea, arrangements being in charge of Mesdames H. K. Liniger and George Wyatt, Mrs. Drew Whitehurst being in charge of flowers.

Members of the advisory committee to assist the general chairman are Mesdames John Jones, Lee Morgan, Paul Cramm and Clarence Kelley. Members of the Oklahoma City Insurance Women's Association will be assisting hostesses at a barbecue the night of Oct. 14.

### Indiana Blue Goose Honors Harmon on Leaving Field

A testimonial dinner was given under auspices of Indiana Blue Goose at the Broadmoor Country Club near Indianapolis for R. J. Harmon, who recently was transferred from Indiana to Chicago as associate Illinois state agent of the Home of New York. Most Loyal Gander C. R. Watkins presided and B. G. Slaymaker, on behalf of the pond presented Mr. Harmon a desk clock. Mr. Watkins announced the next meeting will be Oct. 17, when officers will be installed and a report from delegates to the grand nest meeting will be heard. The golf tournament to have been held in the afternoon was called off due to rain. A. W. Schmadeke, chairman entertainment committee, was in charge of arrangements.

#### Plan Many Town Inspections

DETROIT, Sept. 30.—The Michigan Fire Prevention Association's officers and directors in a meeting here adopted an ambitious program of activities, including inspections and lectures in seven larger cities and several smaller ones. President R. N. Menzies, Great American, presided. The first inspection will be held Oct. 6 during Fire Prevention Week in the "Thumb" district of Sebewaing. Mt. Clemens will be inspected

Oct. 29, Ypsilanti in November, Jackson in January, Kalamazoo in February, Flint in March, Lansing in April and Traverse City in May.

### Illinois Blue Goose Golf

At the outing of the Champaign, Ill., agents, the finals in the Blue Goose golf tournament were played off, the winner being M. C. Dawson of the Underwriting Adjusting of Chicago. The runner up was Richard Freeman of the Illinois Inspection Bureau at Chicago. The contest was between the parent pond at Chicago and the puddles of Springfield, Rockford and Peoria.

### Takes Southern Wisconsin

Raymond Jackson, who has been farm department examiner for Illinois and Wisconsin in the western office of the America Fore at Chicago, has taken charge of the southern Wisconsin farm field. Before becoming an examiner in the Chicago office, Mr. Jackson was farm special agent in Missouri and Illinois.

### E. C. Fotheringham Named

Edward C. Fotheringham has been appointed special agent for the Springfield Fire & Marine, covering central California and San Joaquin Valley territory. Mr. Fotheringham has had many years experience in that territory and is well known among agents in the field to which he has been assigned. At present, he is making his headquarters at the company's Pacific Coast office in San Francisco.

### Bay State Club Meets

The first fall meeting of the Bay State Club, comprising fire special agents in Massachusetts, was held at Boston with President George H. Eise presiding. The guest speaker was D. N. Handy, librarian of the Boston Insurance Library, who spoke on the development and service rendered by the library to field men.

### Iowa Field Men Meet

The Iowa Blue Goose held its first fall meeting in Des Moines. The Iowa State Fire Prevention Association officers met afterwards to make final arrangements for the Chariton, Ia., inspection, Oct. 2. "Smoky" Rogers, Western Actuarial Bureau, will speak.

Plans were also discussed for the banquet to be given to Will Burnett, Des Moines fire chief, tentatively set for Oct. 9.

### San Francisco Pond Meets

With Owen Merrick, sports writer representing the Scripps-Howard newspapers at the Olympic Games recently held in Berlin, as speaker, the regular Monday luncheon meeting of the San Francisco Blue Goose opened the fall program. Mr. Merrick, who spoke on

# H A N O V E R

**Don't You Agree**

Careful provision by an agent for his Assured's Protection, involves not only Proper forms of Coverage—But **VITAL ALSO** is the careful selection of sound Companies whose **Policy Contract** definitely provides safe protection.

*The Hanover & Fulton offer you—both.*

\$4,000,000 CAPITAL JAN. 1, 1936

\$10,092,128 POLICYHOLDERS' SURPLUS

\$16,535,750 ASSETS

LOSSES PAID SINCE ORGANIZATION \$42,000,728

**The HANOVER FIRE INSURANCE COMPANY of New York** *Montgomery Clark, Pres.*

"Sidelights From the Olympic Games," was introduced by C. K. Drew, editor of the "Western Underwriter."

Herbert E. Manners, associate general manager National Automobile Club, is chairman of the luncheon committee of the pond for the coming year. Arrangements have been completed for a big dinner, ceremonial and entertainment Oct. 30.

#### Plan Public Speaking

The picnic and barbecue dinner planned by the Heart of America Blue Goose (Kansas City) was indefinitely postponed because of wet weather. The pond is organizing a public speaking

school for field men. The organization meeting is set for Oct. 5. The school will be managed and taught by the field men themselves.

#### York With Hutton

Henry York, for several years with the Robert Israel Agency at Wichita has been appointed special agent in Kansas for the Earl Hutton general agency of the United Firemen at Wichita.

A. W. Lewis, special agent of the Interstate Agency, Indianapolis, who recently underwent an operation, has returned to his home in Indianapolis. He is making good recovery and expects to resume his work soon.

## AS SEEN FROM CHICAGO

### FIREMAN'S FUND HEADS MEET

Department managers of the Fireman's Fund will meet in their semi-annual get-together at Chicago this week, with E. T. Cairns, vice-president, attending from the home office. Among those present will be S. M. Buck, western department manager, Chicago; C. C. Hannah, manager eastern department, Boston, and C. A. Bickerstaff of Atlanta, manager southeastern department. They will be Mr. Buck's guests over the weekend.

### FORKEL AGENCY SUPERINTENDENT

E. H. Forkel, who in recent years has been assistant automobile manager in the western department of the National Fire, has been appointed agency superintendent. This is a new position in that office. He has had a varied experience in the field and office and is well acquainted with the western territory. From 1925 until 1929 he was connected with the Transcontinental when it was operated by H. G. B. Alexander in Chicago. In 1926 and 1927 he traveled in Michigan and Ohio for that company. The management of the Transcontinental was taken over by the National in 1929 and Mr. Forkel then was assigned to work for the entire group. Although much of his work in the automobile department has been in the office, he has also made frequent trips with field men, developing the line.

### L. A. ROSE & CO. MOVES

The well known general agency of L. A. Rose & Co. of Chicago is moving this week from its present quarters, A125 Insurance Exchange, to new and larger quarters in A1236-A1246 Insurance Exchange. L. A. Rose & Co. has been a class 1 member of the Chicago Board for 28 years. L. A. Rose, the head of the firm, has been in the business for 42 years, serving almost his entire business life in the insurance field. He started in Cincinnati. The firm originally was Arthur S. Nathan & Co., consisting of Mr. Nathan and L. A. Rose. When Mr. Nathan retired about 15 years ago, Mr. Rose took over the business and has been operating it since as L. A. Rose & Co.

A. O. Stekoll and C. H. Tillmann, the office managers, have been with Mr. Rose about 11 years. Previously Mr. Tillmann served with R. N. Crawford & Co. and R. W. Hosmer & Co., while

Mr. Stekoll was in the oil business in Tulsa.

C. L. Uplegger, who is in charge of the fire department, was for many years with W. F. Jacobs & Co.

E. A. Kohn, who has been with L. A. Rose & Co. eight years, is in charge of the casualty department. He was formerly with A. F. Shaw & Co.

L. A. Rose & Co. represents the Western Casualty & Surety and Standard Accident for casualty; London Lloyds for special risks and the following fire companies: Equitable F. & M., United Firemen's, Newark Fire, National Union, Western Fire, Tokio M. & F. and American Union.

T. L. Osborn of Osborn & Lange, who was struck by an automobile last week, receiving several broken bones and a head injury, is slowly but steadily improving at Henrotin Hospital, Chicago.

Charles Rowan, Chicago adjuster, died at his home there after a brief illness, at the age of 45.

R. G. Osgood, assistant western manager North America, spent last week in Kansas with State Agent R. B. Lathan.

## COMPANY NEWS

### Income Up 15 Percent

A 15 percent increase in premium income for the first eight months is reported by H. G. Seibels, president of Birmingham Fire. A loss ratio of 37.95 percent and a net underwriting profit of 14 percent was reported. The usual quarterly dividend of 25 cents a share was declared.

### New Financing Completed

The recently authorized capital increase of the National Fire & Marine is now subscribed to, paid in and is part of the capital structure. The common capital, giving effect to the increase, is now \$408,000 and preferred capital \$400,000. Surplus to policyholders is now over \$1,200,000. The entire preferred capital stock was subscribed to by the common stockholders or affiliated interests.

### Fireman's Fund Dividend

The Fireman's Fund has declared the regular quarterly dividend of \$1 per share, payable Oct. 15 to stockholders of record Oct. 5.

### Company Notes

The Metropolitan Fire Reinsurance has been licensed in California.

The Central Surety Fire of Kansas City has been licensed in Oklahoma. H. H. Strayer has been appointed state agent with offices at 506 American National Bank building, Oklahoma City.

The California Casualty Indemnity Exchange's June 30 statement shows assets of \$2,214,000, reserves for claims and unearned premiums exceeding \$1,200,000, and surplus \$691,000.

## "Protect Your Furs"

is the good advice in Alliance national advertising for October. It details some of the common risks against which the owner of fine furs may protect herself if she will wisely "Ask The Alliance Agent."

## THE ALLIANCE INSURANCE CO. of PHILADELPHIA



Head Office: 1600 Arch St., Philadelphia  
Chicago Office: 209 West Jackson Boulevard  
San Francisco Office: 231 Sansome Street

GET

YOUR  
SHARE  
OF  
SALES

Send 20 cents for a  
sample Hoodoo Day  
Sales Kit

**ON HOODOO DAY**  
Friday, Nov. 13th  
**ACCIDENT & HEALTH  
REVIEW**

A-1946 Insurance Exchange  
CHICAGO, ILL.

NATIONAL SERVICE

**NATIONAL**

**FIRE**

INSURANCE COMPANY

of

**Hartford**

**WESTERN**

**DEPARTMENT**

**Chicago**

## Would Revise Somewhat Agents' Association Setup

### FROM ON RADICAL CHANGE

Boyce Committee Reports at Pittsburgh  
Result of Study of North  
Carolina Proposal

PITTSBURGH, Sept. 30.—There has been attempt here and there, notably from West Virginia and South Carolina to change the method of selecting the executive committee of the National Association of Insurance Agents and from other states, feeling that the national councillors serve no real useful purpose and the position hence should be abolished. A special committee with John K. Boyce as chairman was appointed to investigate the situation and report. The other members are T. F. Southgate, Durham, N. C., C. T. Buckman, Visalia, Cal., T. C. Cheney, Morrisville, Vt., and Alvin S. Keys, Springfield, Ill. The committee in unanimous vote reported as follows:

"1. That no change be made in the present method of selecting the executive committee of the National Association of Insurance Agents, except there be established a rule that no executive committeeman (excluding the president, chairman of the executive committee and the immediate past president—may serve for more than three consecutive one-year terms unless, through some extraordinary circumstances, it should be found for the best interests of the association that the services of an executive committeeman be desired for an additional one year term. The name of such committeeman would then be presented to the annual convention to be elected by a majority vote for a term of one year.

#### Committee of Nine

"It is further recommended that nine members of the association (instead of seven as the constitution now provides) be appointed annually to serve with the president and the chairman, which body shall constitute the executive committee.

"2. In a number of states the national councillor system is receiving no recognition. However, a majority of the state associations are of the opinion that it can be made to serve a useful purpose. Your committee therefore recommends that the governing body of this association endeavor to build up the councillor system to the end that it may become more useful and worthy of the support of all of the states and that that body be permitted to select its own chairman and be encouraged to proceed along the lines originally intended as provided for by the constitution of this association.

"It is further recommended that in the endeavor to rebuild the councillor system, the state president be recognized as the official head of each state association and that those states desiring to have their presidents serve in a dual capacity as president and national councillor may be permitted to do so.

#### Closer Relationship

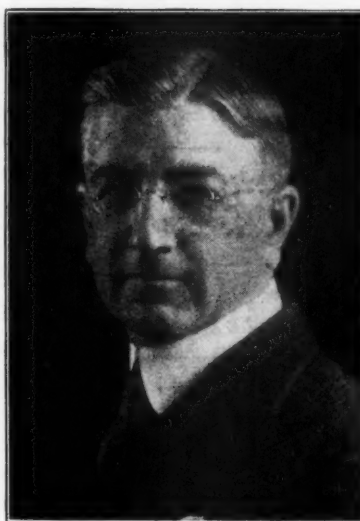
"Your committee recognizes that a closer relationship has already been established between the executive committee and the state presidents through a set program at both the annual and mid-year meetings.

"These meetings should eventually become one of the most important sessions of our conventions. The state presidents have a right to know something about the national picture, and certainly the members of the executive committee desire to learn first hand about the problems of our state units.

"It is, therefore, recommended that such meetings between the executive committee and the state presidents be made a permanent part of our convention program."

The St. Johns Insurance Agency at Barborton, O., has been transferred to C. E. Duncan.

## Veteran in Wisconsin Field Is Now Retiring



D. O. STINE

ST. PAUL, Sept. 30.—The following announcement was issued this week by the St. Paul Fire & Marine.

D. O. Stine, Reedsburg, Wis., state agent in Wisconsin for the St. Paul Fire & Marine at his voluntary request has been granted the privilege of retirement on Oct. 1 after having served the company 30 consecutive years in the Wisconsin field.

"Mr. Stine has long been prominent among field men of the middle west and was in 1924 president of the Fire Underwriters Association of the Northwest. He has been a valued representative of the company, devoting himself untiringly to their interests and has well earned the reward of retirement."

## Knowles Opens Own Marine Office; Barry Is Successor

SAN FRANCISCO, Sept. 30.—A. B. Knowles has resigned as marine manager of the St. Paul F. & M. here to establish a marine general agency under his own name to represent the marine department of the Mercury and as ocean marine general agent for the Fonciere. He also will conduct a surplus line brokerage office. Mr. Knowles is succeeded by E. B. Barry, who becomes Pacific Coast marine department manager of the St. Paul and Mercury. Mr. Barry has been connected with the office for 11 years.

## Rosemund American Official

A. J. Rosemund, assistant secretary and assistant treasurer of the Bankers Indemnity, has been elected assistant treasurer of the American of Newark, with which Bankers Indemnity is affiliated.

Following 12 years as chief accountant of the foreign department of the Mutual Life of New York, Mr. Rosemund went to Bankers Indemnity in 1927 as chief accountant. In 1931 he was elected assistant treasurer and in 1933, assistant secretary. He will retain both his titles in the Bankers, in addition to his new title in the American.

## Brokers to Hear Pink, Botein

Superintendent Pink of New York and Assistant District Attorney B. Botein, will be honor guests at the annual dinner of the General Brokers Association in New York City, Oct. 28. Mr. Botein, who has charge of the accident fraud division of the district attorney office, will speak upon some fake damage cases that have been unearthed lately.

## Detroit Mayor's Committee to Ask Fire Rate Reduction

DETROIT, Sept. 30.—A 15 percent blanket reduction in fire rates here will be sought by the mayor's fire insurance committee. At a conference with N. S. Shapero, president board of fire commissioners, presiding, the committee decided to make the request of representatives of the state insurance commission and Michigan Inspection Bureau at a meeting next week.

The action followed a report by Mr. Shapero showing that in 1935 fire companies collected \$17,796,177 premiums in Michigan and paid \$6,336,235 losses, leaving gross profit 65 per cent; which the committee considered excessive. Shapero stated in Chicago where there has been similar agitation, rates on fireproof buildings were reduced 25 percent, the third reduction within a year. A long court fight in Missouri ended in a flat 10 percent reduction in that state, he said.

He said Detroit fire loss has averaged only \$1,894,693 a year for the last three years, the lowest average for any three-year period since 1914. In 1926 fire companies collected \$26,158,857 premiums in Michigan and paid \$15,241,713 losses, or 58 percent, he reported. In 1929 premiums were \$27,726,410 and losses \$12,756,039, or 55 percent; In 1935, premiums \$17,796,177, losses \$6,336,235, or 35 percent. Companies' gross profits have been climbing each year for the last five years despite drop in coverage. Loss ratio in Detroit compared to elsewhere in the state has been steadily declining, Shapero said. During the period 1933-1935, inclusive, Detroit's losses were only 28.9 percent of Michigan's losses; during the preceding three-year period the ratio was 31.3 percent and during the period prior to that, 34.9 percent.

## San Francisco Offices Merge

SAN FRANCISCO, Sept. 30.—The general agencies of H. M. Hinchman Co. and Rolph & Landis have been consolidated under the title Hinchman, Rolph & Landis, made up of the present officers of the two agencies. Rolph & Landis is an outgrowth of the old general agency of Landis & Brickell, original Pacific Coast representatives London Guarantee & Accident Co. and now engaged in all lines except life. H. M. Hinchman Co. was organized several years ago when Hinchman & Wentz was dissolved. The merged offices operate coastwide representing a number of major fire, marine, casualty and surety companies.

## Zachmann Named Special

The Sun of London and affiliated companies have appointed W. H. Zachmann special agent in western Pennsylvania and western Maryland, with headquarters in Pittsburgh. He is familiar with the territory having previously traveled it for another company.

## To Open All-risk Office

NEW YORK, Sept. 30.—The Providence-Washington and its ally, the Anchor, both of Providence, R. I., will open an all risk department in this city Oct. 5, with James W. Kennedy as manager.

## York Now Special Agent

Harry York has been appointed special agent by the Earl Hutton agency of Wichita, Kan. He formerly was connected with the Robert Israel agency there.

## Boniface Resigns Post

NEW YORK, Sept. 30.—John D. Boniface, for sometime New Jersey state agent for the Standard Fire of Trenton, has resigned.

## Davey Doesn't Intend to Demand Ohio Fire Rate Cut

R. L. BOWEN ENTERS DENIAL

**Insurance Superintendent Asserts Property Owners Are Not Paying Too Much for Their Protection Today**

COLUMBUS, O., Sept. 30.—Superintendent R. L. Bowen of Ohio has taken cognizance of the printed rumor that Gov. Davey intended to move for a reduction in fire rates and has denied that any such step is contemplated.

"We wish to advise," Mr. Bowen stated "that such a rumor is not correct. According to the statistics from the companies' annual statements on file with this office, from 1926 to 1935, inclusive, the stock fire insurance companies writing fire insurance on buildings and contents in this state on this class of business, paid out on losses in Ohio 50 percent of the premiums received from Ohio.

"The mutual fire companies for the same period paid out on fire losses on buildings and contents in Ohio approximately 40 percent of the premiums received in Ohio on this class of business.

### Losses This Year Higher

"We understand the loss ratio on a comparative monthly basis for 1936 is higher so far this year than last but as insurance is based on averages it is not fair to take one month's experience for 1936 as an indication of what the loss ratio will be for this year. One of the leading fire insurance authorities in this country in a recent work stated as follows:

"Roughly speaking, losses on a business which is of a reasonably stable volume should average, over a period of recent years, about 47 percent and expenses 48 percent or a little more."

"During the years 1930, 1931 and 1932, the loss ratios went as high as approximately 60 percent and during these same years the companies were having the disadvantage of a falling market on all investments but the companies did not ask for increased rates despite the fact that during that period they would have been justified on the standard set forth above.

### Began to Recuperate

"It is the belief of our examining department that the companies during 1933, 1934 and 1935 just began to recuperate from the adverse loss ratios which they suffered the preceding three years and that with the favorable loss experience during 1935, which was as low as approximately 32 percent, they are in a position to restore their surpluses preparatory for a high loss period which might begin at any time, or any other contingency.

"In view of the foregoing, I am of the opinion that Ohio property owners are not paying too much for fire insurance on their buildings and contents at the present time.

"It may be that in some states, or territories, the rates are excessive, but without further experience to show which way the trend will be on loss ratios we do not believe that the companies should be ordered to lower the rates for fire insurance in Ohio for fear that it might lead to financial impairment of the companies.

"From time to time unfounded rumors regarding the division of insurance may reach your ears. I suggest you disregard these rumors and keep in mind that your governor and your superintendent of insurance are not taking unreasonable action in any matter."

### Accountants Group to Meet

NEW YORK, Sept. 30.—The Insurance Accounts Association will hold a meeting here Oct. 6.

## Non-conference Carriers of Illinois in Conference

Representatives of a number of non-conference automobile carriers operating in Illinois met in Chicago to discuss among other matters the requirement of Insurance Director Palmer that they file their premiums and loss data by territories. The state has been divided in eight districts for the purpose.

The companies generally are opposed to the requirement, which their officials say involves much additional expense and record keeping. Some, however, report that they are filing the data as required, where their procedure is such that the requirement is met without difficulty. Others who must rearrange their statistical methods to meet the requirement hope that Director Palmer may be induced to rescind his order.

One objection is that the district basis of reporting experience data may show for Chicago car owners an experience out of proportion to the actual hazard in Chicago. The city dwellers, it is presented, probably drive their cars much more than car owners in rural sections. Many Chicago salesmen regularly drive in the country districts. Therefore they have a considerable exposure while away from Chicago but any losses they incur will be charged against the Chicago district.

### Objection to Method

It is presumed that Director Palmer's thought is to give each of the eight districts the benefit of its actual experience. In the case cited, the non-conference carriers say, country districts would benefit at the expense of Chicago owners.

Another subject discussed was long haul trucks, especially with a view of bringing uniformity in writing the line among the non-conference companies operating in Illinois, and particularly on the minimum tariff business. Details of the coverage and information to be secured from the truckmen were discussed. George Traut, of Indianapolis, secretary-manager of the Illinois non-conference organization, attended the meeting. A committee was named, it was said, to take up the matter of reporting experience data on automobile business.

## Bids for Big School Line in Alabama Are Submitted

Stock and mutual companies are competing for approximately \$540,000 fire insurance on school property of Mobile County, Ala., to be awarded Oct. 1. Bids submitted on a three year basis are: Mobile Board \$7,198.21 on \$562,000 of coverage; other bids based on \$540,000 of insurance, Federal Hardware & Implement Mutuals, W. H. Pratt, local agent, \$4,333 net; Cowan-Irvin Company; agents for mutuals and old-line companies, \$5,416 net; L. E. Rife Insurance Co., Staples, Parke & Griffin, Ltd., agents, 35 percent discount on published rates; State Farm Insurance Companies, Bloomington, Ill., J. G. Eberline, local agent, published rates with 40 percent retained for expenses and a dividend on balance of net earnings remaining on premiums on the basis of 50-50 with the school board at the end of the three year period; Holcombe-Roberts Insurance Agency, published rates.

### General Agency Leaders Confer

PITTSBURGH, Sept. 30.—Officers and committeemen of American Association of Insurance General Agents met here this week with President W. L. Braerton of Denver presiding. It was decided to hold the annual meeting at Denver in June, the exact date to be determined later.

R. L. Budge, St. John, Kan., former executive committeeman of the Kansas Association of Insurance Agents, has adopted a new slogan, "Don't Budge from Budge Insurance."

# The TOKIO

MARINE AND FIRE INSURANCE COMPANY, Limited

Established 1879

United States Fire Branch: 80 John Street, New York  
J. A. KELSEY, General Agent GEORGE Z. DAY, Ass't Gen. Agent

U. S. Statement June 30, 1936

PREMIUM RESERVE .....	\$ 1,975,486.52
OTHER LIABILITIES .....	686,752.12
SURPLUS TO POLICYHOLDERS .....	10,819,242.47
TOTAL ASSETS .....	13,481,481.11

Bonds & Stocks valued on New York Insurance Department Basis. Securities carried at \$623,755.74 in the above statement are deposited in various States as required by law.

Chicago Branch: 175 West Jackson Blvd.

Alfred J. Couch  
Manager Brokerage and Cook County Depts.

## CALEDONIAN INSURANCE COMPANY

*The Oldest Scottish Insurance Office*

GOOD faith to agents and policyholders at all times has been one of the fundamental policies of this company. It is exemplified by an honorable reputation, sound practices, sound underwriting and a sound financial policy.

## Caledonian-American Insurance Co. of New York

Robert R. Clark  
U. S. Manager and President

## The Netherlands Insurance Co. of The Hague, Holland

Established 1845  
Robert R. Clark, U. S. Manager

Executive Offices: Hartford, Conn.

## Insurance Must Work Out Solution to Own Problems

### IMPROVE THE LEGISLATION

E. S. Joseph of Pennsylvania Department Addresses State Agents' Meeting at Pittsburgh

The need of the insurance business for taking the initiative and showing greater aggressiveness in solving its problems was emphasized by Deputy Commissioner E. S. Joseph of Pennsylvania at the annual convention of the Pennsylvania Association of Insurance Agents at Pittsburgh. The meeting, which was held at the William Penn Hotel, immediately preceded the convention of the National Association of Insurance Agents in that city.

Speaking on "Insurance at the Cross Roads," Mr. Joseph declared the time has come when the insurance business must decide for itself whether it will take a forward step in leadership or lag behind development in other lines. He called particular attention to the drastic need for improvement in legislation and the statutes now governing insurance. The business, he said, has been entirely too lax in the past in the framing of new laws and as a consequence many of the statutes today are out of date and impractical. He pointed out that the insurance department cannot take the initiative as it is charged with the duty of only enforcing the statutes. However, the department is interested in all insurance legislation and is anxious to be helpful. Responsibility for enacting new laws should rest squarely on agents and companies alike as it is their business that is being regulated.

Solution of the agents' qualification problem, he said, would solve many of the problems in the business at present. He compared the agent of today with the agent of 50 years ago or so, saying that although the relation of company to agent is vastly different today, many statutes governing agents have not been modernized along with the change in conditions. With such archaic laws, he declared, it is no wonder that confusion, suspicion, strife and even dishonesty are rampant within the business.

## Are You

Are you a beautiful Agent?  
If you're not we can help you.  
We don't mean we can take the knocks out of your knees, or reduce your paunch, or improve your looks; but we know we can make you a "beautiful" agent in the sense that we can help you improve your business. For years we've been helping thousands of agents and can help you--if your territory is open. Write and find out.

SINCE 1854

**THE PHOENIX  
INSURANCE COMPANY  
OF HARTFORD, CONNECTICUT**

Cash Capital, . . . \$6,000,000.00  
Surplus to Policyholders, \$30,839,324.64

## To Alter Reinsurance Plan of the Montana Fire Fund

A reinsurance contract with the Miller Insurance Agency of Butte, Mont., under which entire liability of the Montana state fire fund is re-insured in the Pearl will be amended by the state board of examiners, Attorney-General R. T. Nagle announced. A flat rate of \$1.40 per \$100 has been paid as a reinsurance premium, but under the modified plan the board will pay 80 percent of the rate fixed by the insurance department. The law requires insuring all public property of cities, school boards and other political subdivisions in the state fund.

### Centro Assistant Manager

SAN FRANCISCO, Sept. 30.—Lou R. Centro, special agent of the St. Paul F. & M., has been appointed assistant fire manager in the Pacific Coast department, succeeding the late W. A. Frazier. He will soon move to this city.

### Cherry Resigns in Canada

J. D. Cherry, manager of Montreal Agencies and well known in the Blue Goose throughout Canada and the United States, has resigned due to ill-health.

### Canadian Manager Ill

Allan F. Glover, Canadian manager of the Royal-Liverpool groups, is in the Western Hospital at Montreal recuperating from illness. P. M. May and H. Churchill-Smith, assistant managers, are in charge during his absence.

### Banquet Speakers

At the banquet of the annual convention of the National Association of Mutual Insurance Companies in Philadelphia Oct. 14, General Mason M. Patrick, former chief of the U. S. Army air service, and Dr. Calvin O. Althouse, Philadelphia lecturer, will speak. Mayor Wilson of Philadelphia and Commissioner Hunt of Pennsylvania will be guests.

Samuel Okoshken, 36, special deputy superintendent of the New York insurance department since January, 1935, died unexpectedly from a cerebral hemorrhage early Sunday. He was connected with the mortgage liquidation bureau.

At the first fall dinner-meeting of the New Jersey Field Club in Newark moving pictures of the construction of the "Boulder Dam" were shown and explained by E. D. Wilson of Babcock & Wilcox, construction engineers.

## A Beautiful

A beautiful agency is one that keeps going forward. We have a fine group of agents. Everyone can't belong to this group but there may be an opening in your territory. Write and find out.

SINCE 1850

**Connecticut  
FIRE INSURANCE CO.  
OF HARTFORD, CONNECTICUT**

Cash Capital, . . . \$2,000,000.00  
Surplus to Policyholders, \$15,070,293.55

## Livingston Named President of Vermont Agents Group

### SUCCESSOR TO J. T. DIZER

Dodge, Fleming, Cushman Are on Program at 30th Annual Rally at Lake Morey

Edwin L. Livingston of North Troy, Vt., was elected president of the Vermont Association of Insurance Agents at the 30th annual convention in Fairlee. He succeeds J. T. Dizer of Bellows Falls, the retiring president.

Other new officers are: vice president, Newton Smith, Brandon; secretary and treasurer, A. C. Mason, Rutland.

The executive committee consists of: J. T. Dizer, Bellows Falls, chairman; W. H. Wills, Bennington; W. C. Lawrence, Springfield; H. F. Shea, Montpelier; H. A. Allen, Burlington; A. W. Hawkinson, St. Johnsbury; George Kent, Barre; Newton Smith, Brandon.

### New Legislative Committee

The legislative committee is C. T. Pierce, Montpelier, chairman; J. E. Weeks, Middlebury; D. J. Branon, Newport; I. Munn Boardman, Burlington; S. C. Dorsey, Rutland; T. F. Leary, Burlington; L. D. Taylor, Brattleboro; John DeWitt, Shoreham; M. E. Barber, Wilmington.

Attendance was large. The meeting was held on a large veranda of the Bonnie Oakes Hotel at Lake Morey, which made a fine setting.

Reports of officers showed the association in healthy condition both as to numbers and finances. This was the first state association to pay its dues to the National Association of Insurance Agents, thereby taking the lead away from California.

### Foster Talks on Casualty

T. C. Foster, Hartford Accident, spoke on "Agents in Underwriting," giving some valuable information as to the method pursued in making up casualty rates. He reported that 30 percent of the total casualty business in New York state was made up of compensation coverage, 40 percent automobile liability and the balance miscellaneous lines. He stressed that rates are made on experience of all carriers and cautioned the agents against placing their preferred business in mutuals, stating that if stock companies get only borderline business and not their proportion of preferred business rates are bound to go up and the mutual companies will benefit.

He also said that great care should be exercised by agents in selection of automobiles risks, for while the car owner may be responsible and a careful driver,

## Agent

An agent derives benefit from association with the right kind of people--so does this company. We'd like to introduce ourselves. Write.

SINCE 1859

**FOUITABLE  
Fire & Marine Insurance Company  
PROVIDENCE, R.I.**

Cash Capital, . . . \$1,000,000.00  
Surplus to Policyholders, \$5,431,263.89

## Effect of Devaluation on the U. S. Branches

With France and Switzerland going off gold, the United States branches of insurance companies from those countries automatically make a much stronger showing in the head office statements. The relation between assets and liabilities remains the same, but both are higher in proportion to the revaluation of the franc and the head office statements are swelled as to assets.

When United States went off gold, the U. S. branches of Swiss and French companies dropped in head office importance because more dollars were needed to buy the same number of francs as before devaluation. That not only decreased the relation of U. S. assets to total assets, but cut the total assets themselves. Now, the reverse has occurred. Fewer dollars purchase more francs and the U. S. branches make a more impressive showing in the home office statements.

Accident & Casualty of Wintherthur, Switzerland, of which Neal Bassett is U. S. manager, it turns out, made a very smart turn. It sent \$3,000,000 or about 9,000,000 Swiss francs to this country to get started. Now those dollars will buy something like 12,000,000 Swiss francs. That profit is made without writing 5 cents worth of insurance.

the car may be driven by others who are not careful.

T. Alfred Fleming, managing director National Fire Prevention Association, whose formal address was presented in the issue last week, also stressed the importance of sending in a prompt alarm in case of fire. The first five minutes is worth more than all the work done to extinguish the fire for five hours afterwards, he said. Deputy Commissioner Pingree of Vermont and A. B. Gile of Hanover, past president New Hampshire association, were speakers.

A letter was received from Commissioner Carpenter, of Vermont, expressing regret he was unable to attend. He urged the agents to prepare and submit to the department a proper agents' classification law, as he had found many licenses recently issued have been used to raid legitimate agents' business. He also suggested that the agents give consideration to enactment of a resident agency law. He stated he was in favor of both these laws being enacted at the coming session of the legislature.

### Dodge Extends Greetings

Albert Dodge of Buffalo, chairman publicity and education committee National association extended greetings of the national body as well as of the New York State association, and in addition to his prepared talk, said accomplishments of the National association had been great. He stressed particularly responsibilities placed upon the national officers to carry on the work to the satisfaction of all members. He explained the proposed set up for a conference committee to consider subjects pertaining to the welfare of agents in Eastern Underwriters Association territory.

### State Dignitaries Attend

George D. Aiken of Putney, Vt., and W. H. Hills of Bennington, Vt., Republican nominees for governor and lieutenant governor, attended and were introduced. The nomination is tantamount to election.

Mr. Wills is in the insurance business and is a member of the executive committee of the Vermont association. Both pledged their support of any legislation for the benefit of the insuring public and agents.

The banquet was held in the evening, report of the nominating committee being received and the officers elected.

## Eyes Commissioner's Power to Govern Policy Forms

### TRACES GROWTH OF TREND

#### Finds Doctrine of Liberty of Contract Giving Way to Policy of Doctrine of Sovereign

The doctrine of liberty of contract is giving way in the insurance field slowly but inevitably to the great public policy doctrine of sovereign, according to A. F. Canfield, general counsel of the Peoples Life of the District of Columbia, who addressed the annual meeting of the legal section of the Industrial Insurers Conference in Nashville. "The extent to which an insurance commissioner can frame the policy or policies of a company licensed by him," was Mr. Canfield's topic.

From the gradual development of administrative law, emerged the insurance commissioner, he said. At first, this functionary was limited in authority to but a few administrative functions involving little or no exercise of discretion. Today he has almost exclusively the power to license and revoke and by the leverage of a threat to seek the aid of the court he may well high penalize and destroy by applying for receivership and dissolution.

#### Vagaries of Politics

Except in a few states there are no legislative requirements as to the ability, experience and learning that a commissioner must possess. The vagaries of politics play an important part in his selection. Some commissioners have assumed a tendency towards liberality and have posed as champions of the downtrodden and depressed. Many have become zealots and despots.

Today, the lawyers, he said, regard as settled the constitutional right of the state to regulate insurance policies themselves. The question is how shall it be done. There is the method of legislative prescription of the exact wording of the policy; administrative prescription of the exact wording, and legislative prescription of typical provisions or standards, to be administered by a single official having approval, disapproval and dispensing powers.

The regulation by legislature began in Massachusetts which adopted the standard form of fire policy. New York later passed an act creating its own standard form policy. So long as these forms were adopted by positive acts of the legislature there can now be no room for complaint, Mr. Canfield asserted.

#### Delegation of Power

The matter of delegation of power to a commissioner to prescribe a model form of fire insurance came to light during the early part of the agitation for standard policy forms and a number of states pioneered in this. Various state legislatures were content to leave it with the commissioner individually to prescribe the right of standard policy forms. The laws of the various states failed to provide for the promulgation or notice to the insurance companies or to the public of the form of policy officially adopted. Several of the statutes were held unconstitutional because of an attempted delegation of a legislative function.

Then came a new era. The Massachusetts legislature in 1908, after setting forth in detail certain prescribed and prohibited clauses, forbade the use of life policy forms which had been disapproved by the commissioner. The constitutionality of that statute was upheld and in 1924 a similar Wisconsin statute was upheld.

These statutes usually set out certain prohibited clauses which must not be included in the policy forms, also certain prescribed clauses which must be

## Banker Says Agents Aid in Credit Field Is Needed

It is important that banks assume their rightful place of leadership in credit and bring about a reversal of present trends in instalment financing, E. A. Mattison, vice-president Bank of America, San Francisco, stated in a talk before the clearing house round table conference at the American Bankers Association convention in San Francisco. Local insurance agents should be recognized and their cooperation enlisted to secure business, he said. The personal loan field is profitable, and, properly supervised and administered, should be a profitable adjunct to any bank, large or small.

contained in the contract, yet, by the language of the statute, it would appear that when authorized, the disapproval of a commissioner of a policy form vested in him almost complete discretion in the matter so that while the commissioner did not actually write the policy, he could disapprove of one contemplated by the insured and insurer even though satisfactory to them.

In New York, the insurance superintendent is granted authority to prescribe riders, permits and endorsements as additions to the standard fire policy. Very often the commissioners seem to have assumed the power to eliminate provisions of policies which they deem objectionable, entirely apart from statutory authorization.

The third method of regulation, administrative control through approval, disapproval and dispensing powers, is the method which is most commonly used to control the use of life, health and accident policies, according to Mr. Canfield.

The registration provisions of many states require each insurer to file a facsimile of all policy forms for use or to be used. This compels the insurer to adopt uniform provisions and the legislative provisions have become a valuable adjunct to the commissioner's other powers.

Another matter of concern in the various statutes is the standardizing provisions which they contain. He expressed the belief that it is through this medium that the discretionary power now exercised by the commissioner is either given by expressed grants or preempted by him as an implied power.

#### Approval and Disapproval

The corrective provision and the approval and disapproval provisions of the statutes, he said, probably do more to give the commissioner either a direct power or an implied power and possibly a reservation of power of control over policy forms. For instance, the New York law says, "No policy of life or endowment insurance shall be issued or delivered in this state unless and until a copy of the form thereof has been filed with the superintendent of insurance and approved by him."

The enforcement provision of the various statutes with the drastic penalties attached often leave the insurer at the mercy of the commissioner. The judicial decisions on record, he declared, tend strongly to support the rulings of the commissioner in this regard.

Although for many years standardization of contracts of all forms has been attempted, there is not yet standardization or uniformity of statutes.

#### J. J. Brummel Vice-president

Joseph J. Brummel, head of the Brummel Bros. agency of Chicago, has now been elected a vice-president of the Security of Davenport. Previously he had been elected a director. In both capacities he takes the place left vacant by the death this summer of his brother, Henry Brummel.

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## EDITORIAL COMMENT

### Local Agent on Company Board

A WELL known local agent, GEORGE W. CARTER, who is head of the DETROIT INSURANCE AGENCY of DETROIT, has been elected a director of the ROYAL INDEMNITY. This brings to the directors' table a viewpoint that is worth while in any organization. A company cannot do better than study the sales angle of in-

surance and get the reaction of sensible, constructive agents who come in contact with the public and who feel the pulse of the people. There is value in having a prominent local agent on a board. It gives all agents greater confidence in the institution and they know that their problems will be presented.

### Studying the Trailer Situation

IT IS well that companies are losing no time in investigating the possibilities of insuring cabin or house trailers because this may be considerably more than a fad. There is a unique flavor and romance residing on wheels and yet the trailer offers an opportunity for people to travel inexpensively. In our opinion here may open a great market for insurance. Therefore insurance should not wait until months have passed by before taking a hand.

The trailer situation should be studied, analyzed and some program should be adopted. Certainly standards of excellence should be established. Just now there are many flimsy structures largely of the garden or home made variety on the road. They should be penalized severely. Opportunities for business building are exemplified in the trailer situation and they should not be passed by. Often, profit lies in the development of such sidelines.

### Good Prospect for Casualty Lines

THOSE well versed in analyzing casualty and surety conditions predict prosperous times during the next five years and with the companies having cleaned out the underbrush and dead wood they are in very good shape. There has been

considerable strength shown in casualty company stocks. Investment houses are analyzing the situation of various companies and are recommending purchases. The investment men have their ears to the ground and know the signs.

### Returning to the Term Plan

GENERAL AGENT L. E. ENGLISH of Richmond, Va., who is a wide awake and observant underwriter, feels that agents can reduce greatly their expense and eliminate time and effort by putting back as far as possible annual policies on the term plan where the term rule applies. This would be particularly desirable in smaller premium risks. Suppose, for example, the limit of \$10 was set as the minimum and all premiums up to that point be transferred as far as possible to the term basis. Mr. ENGLISH states that the reduction in

the average premium came about through reduced income and the conversion of term policies into one year contracts. Now that conditions have changed and there is improvement, he feels that agents should strive to get these policies back on the three or five year term plan. Unless there are collateral lines coming in with small premium risks less than \$10, he doubts very much whether it pays an agent even to handle the business as the expense eats up all the commission and perhaps considerably more.

### Need for Straight Thinking

THERE is much to be gained by correct, intelligent and straight thinking these days not only along the lines of one's

own business or calling but in connection with life's fundamentals and its philosophy.

### Better Typography in Policies Needed

Improved typography will never make insurance policies popular reading. But it would be a great boon to agents and others who occasionally like to examine the exact contents of a contract. Nothing except tradition would still send an eight-point or ten-point line of type sprawling across the full width of eight inches.

"Sprawling" is used advisedly, because that is what the line does when the reader tries to follow it. How far different sizes of type may be extended in a line to provide maximum ease of reading was determined years ago. Possibly no change has been made in insurance policies, on the theory that no one reads an insurance

contract anyhow. Certain it is, however, that if prizes are ever offered for common contractual documents distinguished by

poor typography some insurance company is going to win the prize. Better typography results in better understanding.

### When an Agent Becomes a Quitter

INSURANCE men who are out on the firing line cannot hope to achieve success with every effort they put forth to make a sale. That would be an ideal condition, but there come successes and failures. The average, however, works out admirably provided the salesman is

assiduous in his work and goes at it intelligently. There is no disgrace whatever in the man who fails after doing his best. However, the agent who simply gives up because he fears that he is going to meet failure deserves condemnation. He simply is a quitter.

## PERSONAL SIDE OF BUSINESS

George E. Duis, president of the Implement Dealers Mutual Fire of Grand Forks, N. D., died recently.

Harry H. Woodring, who was appointed Secretary of War last week by President Roosevelt is a former Kansas agent at Neodesha of the agency firm of Woodring & McCullough. He left the agency four years ago when elected governor of Kansas, which position he held for a two year term.

H. F. Gardner, head of the Commercial Union all risks department, San Francisco, is still a patient at the Seattle general hospital. It was necessary that he undergo a second operation, and it will be several weeks before he will be able to go home.

F. W. Colvin, Jr., associated with his father in the Fred W. Colvin Insurance Agency, Sioux City, Ia., was married to Miss Marian King, assistant cashier in the Sioux City office of the Equitable Life of Iowa.

Gerald L. Rathbone, 65, senior member of Rathbone, King & Seeley, San Francisco, passed away in New York from a heart attack. Mr. Rathbone was returning from a trip to Europe, having left San Francisco in May of this year. He is a veteran of the insurance business, having been associated with various general agencies prior to the establishment of his own organization many years ago.

Pittsburgh's oldest active insurance man, John C. Kohne, is dead at the age of 80 years. He began his insurance career in August, 1873, when he opened a fire agency representing the German-American. Later he became secretary of the Citizens, which merged in 1901 with the Phoenix of Hartford. Since that time he had been general agent of the Phoenix. For years he was dean of the Fire Insurance Association of Pittsburgh. Three years ago Pittsburgh agencies feted Mr. and Mrs. Kohne on their golden wedding anniversary. His son, C. C. Kohne, is president of the Fire Insurance Agents Association of Pittsburgh.

Mr. Kohne was born Feb. 6, 1856. He entered the insurance business in August, 1873 as agent of German-American of Pittsburgh and the Citizens of Pittsburgh. In 1881 he became general agent of the Citizens and later secretary. He arranged for the reinsurance of the Citizens by the Phoenix of Hartford in 1901 and became general agent of the Phoenix. He operated his insur-

ance business on Fourth Avenue in Pittsburgh continuously from 1873 to his death. His son, Charles C. Kohne, with whom he formed a partnership in 1922, will continue the business under the name of John C. Kohne & Co.

R. M. Morse, who has headed the Michigan department's licensing division for several years but becomes second deputy commissioner Oct. 1, succeeding J. E. Reault, within a three months' period has had his home broken into twice by marauders. The last burglary netted only a child's bank, but previously a collection of old coins and stamps was taken. Mr. Morse keeps his more valuable collections in a vault.

A special conclave of Sphinxer Temple, Illustrious Rod of Aaron, Eastern Division, was held in New York City Friday evening with President R. C. Hosmer of the Excelsior in command. The guest of honor was M. C. Rathburn, vice-president First Trust Co. of Lincoln, Neb. who was on for the Globe Indemnity celebration. Representing the western division in an official capacity were P. B. and Rockwood Hosmer of Chicago who conferred the degree.

Ivan E. Lang, former deputy commissioner of Maine, president Boothby & Bartlett agency, Waterville, and an outstanding insurance man of Maine and New England, died following a prolonged illness. He was born in Brooks, Me., 59 years ago and was early engaged in newspaper work in Berlin, N. H. He served for 12 years as deputy commissioner resigning in 1918 to join Boothby & Bartlett. He had been president of the Maine Association of Insurance Agents, national councillor for many years and chairman New England Advisory Board. He was also one of the founders of the Maine Casualty.

Isaac McCurdy, head of the survey department in the western office of the Great American and one of the oldest employes in point of service in that office, died in Presbyterian hospital, Chicago, about 10 days after undergoing an abdominal operation for a malignant condition. He was 66 years of age. He had been active at the office until the day before he went to the hospital for the operation. He had been connected with the Great American in the western department 44 years, all of that time in the survey department. He was connected with the Continental for a short time before going with the Great American. His home was originally in Logansport, Ind. In his early days he



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CANADIAN BRANCH — Toronto, Ont., 34 King St. East, Room 301. Tel. Waverly 2354-5. Ralph E. Richman, Vice-Pres., W. H. Cannon, Manager.

was a well known semi-professional baseball pitcher. He was a good golf player and was one of the first members of the Skokie Country Club in Glencoe, Ill. Funeral services were held Tuesday.

Mr. McCurdy's death was due to pneumonia which followed an operation. He had been through another operation about seven years ago but apparently had recovered. C. R. Street, vice president in charge of the western department and other officials and department heads attended the funeral services. Mr. McCurdy was highly regarded by the company, being also purchasing agent in the west and in charge of the explosion and sprinkler leakage department for 15 years. He was a high churchman.

As in former years, the **North British & Mercantile** has arranged for attendance of its head office baseball team at the world series games in New York City. This is in compliment to their efficient representation of the company in the Insurance Baseball League. A play by play account of each of the games will be given at a special room of the company for the benefit of patrons and friends.

**F. P. Hamilton**, who since his retirement as president of the Queen in 1934, has been living at his farm in Coventry, Conn., has so far regained his health as to warrant taking an outing in the White Mountains of New Hampshire, some weeks ago, from which he derived additional benefit. Mr. Hamilton has always enjoyed country life and even during the years of his residence in Chicago, as vice-president and western manager of the Queen and long prior thereto, managed to spend part of each year on his Connecticut farm. The homestead he occupies has been in the family for generations.

**Samuel L. Richmond**, for many years manager of the Peoria, Ill., office of Underwriters Adjusting, was tendered a surprise party, the occasion being his 80th birthday. The event was held in Rome, Ill., with 35 being present.

Attorney C. W. Heyl of Peoria acted as toastmaster and presented Mr. Richmond with a fountain pen and pencil set. Among those who spoke in appreciation of the honor guest were V. B. McDowell, manager at Peoria of Underwriters Adjusting; Henry Tuerk, secretary Illinois Fire, Richard P. Ockenga, John Oliver, J. L. Foster of Springfield, F. W. Letts of Bloomington, Elwood Kroos, Conrad Iber, Burch Coffee, I. H. Conigisky and Eugene Gauss.

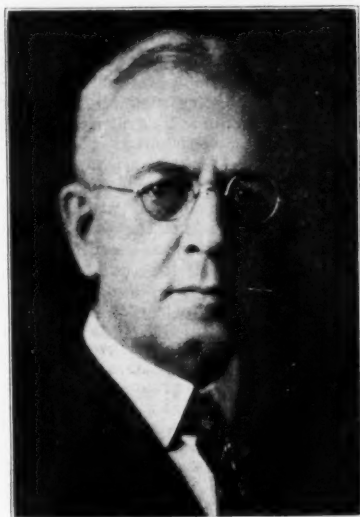
**Ray Murphy**, national commander American Legion, said at the conclusion of the 18th national convention of the legion in Cleveland, that he was eager to resume his duties as Iowa insurance commissioner. Mr. Murphy, whose administration is conceded to have been one of the best the legion has ever had, has spoken in every state in the union since his election at the St. Louis convention last fall. In spite of the time he has spent in legion service he has managed to spend several days a month in Des Moines at his office in the insurance department. However, while drawing a salary from the legion, he has regularly turned back his monthly pay check from the state of Iowa.

#### Features of Engineers' Meet

The annual meeting of the Association of Mutual Fire Insurance Engineers will be held in Columbus, O., Oct. 22-23. Among the features of the meeting will be a fire-causing demonstration by R. C. Criswell of the Ohio Inspection Bureau and an exhibition of hydraulic and fire-fighting methods by the Columbus fire department and the Segrave corporation.

**C. A. Dowdall**, secretary of the St. Paul Fire & Marine, has returned from a two weeks business trip through the east.

### L. H. Wolff, Well Known in Midwest Field, Succumbs



LOUIS H. WOLFF

Louis H. Wolff, 74, well known in fire underwriting circles in the middle west for many years, died at his home in Indianapolis following a brief illness. For the past five years he had been manager of the Merchants & Manufacturers Insurance Bureau comprised of most of the leading business enterprises in Indianapolis. For six years prior to that he had been assistant general agent of the Aetna Fire in Chicago for the western department, to which position he had been called after serving the Aetna Fire in Indiana for nearly 20 years as state agent.

He began his insurance career as special agent of the Palatine for the mountain territory, which included a number of states. He went to Indiana in 1898 as special agent of the Royal, resigning in 1904 to become state agent of the Aetna. In 1886 he married Miss Winifred Clark at Topeka, Kans., and preparations were being made for the celebration of their golden wedding anniversary within a few days. A son, Herman C. Wolff, formerly identified with the western department of the Aetna, now conducts a local agency in Indianapolis.

#### Student of Business

Mr. Wolff was a student of fire underwriting and was author of a number of books, including "Wolff's Law of the Insurance Agency," as well as books on loss adjusting and agency management and practice. He was recently planning the revision of some of his former publications. He had the faculty of imparting knowledge to others and a number of young fieldmen who were trained under him in Indiana took responsible positions for the company in other states, among these being Paul E. Rudd, now Aetna state agent in Wisconsin, and Norman B. Berry, Ohio state agent.

Among the honorary pall bearers were Richard Lieber, organizer Merchants & Manufacturers Insurance Bureau; Robert M. Hatton, retired state agent New York Underwriters; John H. Hellekson, state agent Springfield Fire & Marine; C. O. Bray, special agent Hartford Fire; Alex R. Monroe, retired president Newark Fire, and Irving Williams, editor of "Rough Notes." Among active pall bearers were A. B. Williams, adjuster; Ernest M. Sellers, manager Indiana Inspection Bureau; John E. Messick, of Foster & Messick, managers of the United States Fidelity & Guaranty; E. W. Hoover, manager insurance department Security Trust Company, and Paul E. Rudd.

During the time Mr. Wolff was state agent of the Aetna in Indiana, an unusual number of young field men passed

through his office. There was a big turn-over because he gave them such a good and systematic initial training that they were soon in demand for better positions, a number being promoted to state agencies for the Aetna elsewhere. He conducted regular classes of instruction and those who were thus associated with him came to style themselves as "Wolff's Cubs" and toward the end of his service as state agent they gave him a testimonial dinner and a scroll on which were engrossed the names of the "cubs." Among these were W. N. Achenbach, now western manager Aetna; Paul E. Rudd, Wisconsin state agent, and Norman B. Berry, Ohio state agent; T. E. Snyder, Walter B. Stoner, Herman C. Wolff, E. R. Shoemaker, now Indiana state agent of the Aetna; H. V. Hyatt, H. M. Callahan, Fred C. Snapp, now with the mutuals at Bloomington, Ill.; Forest E. Dukes, Indiana state agent Fire Association; Frank A. Tedford, E. W. Hoover, Harry H. Hughes, Raymond Pruitt and Walter S. Havens.

#### Ad Men Win Honors

Insurance companies were prominent among the 50 direct mail leaders for 1936 named at the Direct Mail Advertising Association's annual meeting in Cincinnati. The companies honored are: Acacia Mutual Life, T. M. Rodlum, advertising manager; Bankers Life of Iowa, B. N. Mills, secretary; Boston, Ray C. Dreher, advertising and sales promotion manager; Camden Fire, Clark W. Smitheman, production manager; Connecticut Mutual Life, H. M. Holderness, vice-president; Hardware Mutual Casualty Company, Paul G. Parkinson, advertising manager; Monarch Life, J. A. Young, assistant secretary, and the Ohio National Life, Arthur W. Theiss, manager sales promotion.

**C. N. Bartel** has opened a local agency in Canton, O., with offices at 202 Citizens building.

### Personal Observations at New Jersey Agents Meet

**Herbert A. Faunce**, newly elected president of the New Jersey Association of Underwriters, has just rounded out 25 years' service in insurance business. After graduation from Harvard in 1911 he entered the employ of Phillips Co., local agents in Atlantic City, his father being the president. He started as a broker but in 1918 was elected treasurer. He was at one time secretary and also now is chairman of the executive committee. He has been president and secretary of the Atlantic City Association of Insurance Agents. His father is a charter member of the New Jersey association and also was chairman of the legislative and executive committees.

\* \* \*

**Alan V. Livingston**, who was re-elected secretary-treasurer, has been in insurance since 1928, but in those eight years has become known throughout New Jersey for many insurance activities. His father has been an insurance man for many years with Birtwhistle & Livingston, with which firm Alan is affiliated in Englewood, N. J. Prior to entering the insurance field the son was an electrical engineer with the Safety Car Heating & Lighting Co., New Haven. Mr. Livingston was association president in 1932-1933, membership growing rapidly. He has been active in Bergen county insurance circles, serving as president of the county board and also its secretary-treasurer. He is on the program of the National Association of Insurance Agents at the annual meeting in Pittsburgh.

\* \* \*

**Leon A. Watson**, expert of the Schedule Rating Office of New Jersey, who has not missed a meeting of the state association in many years, was there with

(CONTINUED ON PAGE 24)

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# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Minnesota Market Covered Program of Kansas Meeting

#### Supplemental Contract Supplies Coverage in Demand for Riot Protection in Past Two Years

MINNEAPOLIS, Sept. 30.—Labor disturbances that have kept Minneapolis on the front pages of newspapers more or less continuously the past two years have not lined the pockets of agents writing riot and civil commotion coverage to the extent that the situation would seem to warrant.

In those two years there has been considerable property damage too. Some of the largest industries in the city have been involved in the intermittent strikes, including a large hosiery and underwear factory, practically all the sash and door plants, numerous wholesale food establishments and recently the entire grain and milling industry.

Inquiry among agents revealed that the supplemental contract had taken care of the riot and civil commotion coverage of nearly all these concerns. When the supplemental contract was first brought out some of the larger agencies hesitated to offer it to their large industrial clients but smaller agents went out and covered the field so thoroughly that when the labor disturbances became real serious there was little additional riot business uncovered.

The St. Paul Fire & Marine wrote one large milling concern and also a policy for the Archer-Daniels-Midland Co., which was the target of one of the most vicious attacks, resulting in considerable damage to one of the company's plants.

Though little riot business was worked up locally it is understood that the Connecticut Fire has recently written considerable at Duluth, another important grain center. Whether the grain interests at the head of the lakes feared the Minneapolis trouble would extend to their territory and wanted to be protected, or whether enterprising agents saw an opportunity to write some new business there on the strength of the Minneapolis trouble is uncertain. Elsewhere in Minnesota, including St. Paul, little riot coverage has been written.

#### Ohio Junior Order to Meet

The new Junior Partners Organization of the Ohio Association of Insurance Agents, which held its first session at Cedar Point in August, will meet in connection with the annual convention of the Ohio Association in Columbus Oct. 27-28. Paul R. Laursen, Canton, is temporary chairman of the group, which is being guided in its early stages by Paul Kridler, Fremont. A constitution will be adopted and officers elected.

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#### Schedule of Events for the Annual State Convention of Local Agents at Wichita

The program for the annual meeting of the Kansas Association of Insurance Agents at the Hotel Lassen, Wichita, Oct. 7-9 is announced as follows:

##### Wednesday, October 7

Meeting state executive committee, officers of local boards.

Dinner—same group, as guests of the Wichita Insurers.

Meeting committee on Business Development Office.

Rendezvous at Town Tavern. Entertainment, courtesy Central States Fire of Wichita.

##### Thursday, Oct. 8

Welcome to Wichita, Charles K. Foote, past president, Kansas association, general chairman.

Response, President J. D. Gilmore, Independence.

President's annual report.

Report of secretary-treasurer, Wade Patton, Hutchinson.

Address, "Successful Insurance Analysis and Selling," Clarke Smith, New York City, agency development Royal-Liverpool group.

Address "HOLC—Stock Company Association Insurance Set-Up," Robert D. Voss, Omaha, Neb., special agent Stock Company Association.

Address, Harry K. Rogers, Western Actuarial Bureau.

##### Thursday Afternoon

Conference for members of Kansas Association of Insurance Agents.

(1) Farm writing agents, and agents living in cities up to 2,500 population, Alex Case, Marion, presiding.

(2) Agents living in cities of over 2,500 population, J. M. Powell, Iola, presiding.

Golf tournament, guests, fieldmen and agents, Wichita Country Club.

Banquet, John H. Burns, Jr., president, Wichita Insurers, presiding.

Master of ceremonies, Arch N. Booth, assistant secretary of Wichita Chamber of Commerce.

##### Friday, Oct. 9

Breakfast conference, Frank T. Priest, Wichita, presiding.

Report of Conferences, Case—Powell—Priest.

Address, "What's This About Competition," O. A. Ramsdeyer, Kansas City, Mo., state agent, North America.

Address, Commissioner Hobbs.

Address, "Conservation and Reclamation," Walter H. Bennett, secretary National Association of Insurance Agents.

Address, "Pause—Think—Act," J. Dillard Hall, asst. agency director, United States Fidelity & Guaranty.

Luncheon, Wichita Kiwanis Club, guest speaker, Walter H. Bennett.

##### Afternoon Session

Winner of essay contest, presented by fieldmen of the North America.

"Logic in Action," presented by members of the Kansas Fire Underwriters Association, H. O. McIntosh, George Shank, Robert E. Hauck, and Ed McDermott.

Report of the membership committee, Byron R. Ward, Topeka.

Report of the legislative committee, F. H. Reed, Wichita.

Report of the conference committee, Frank T. Priest, Wichita.

Presentation of golf prizes.

Executive session—Vote on proposed change in by-laws, report of resolutions committee, report of nominating committee, election of officers, discussion of meeting place, 1937 convention.

##### Live Wire Subjects

A resolution together with a letter of explanation has been mailed to all members of the Kansas Association of In-

surance Agents by the Topeka Board protesting any action by the state organization in which it would solicit bonds which are now serviced and written by local agents belonging to the state association. This matter will come up for discussion at the annual meeting. There are also two other important matters to be discussed which have created considerable attention: A proposed change in the constitution would permit the state executive committee to hire a full time paid manager. In the past the Kansas association has had a secretary which was one of the regular member agents. The manager proposition has some backers and is also opposed by a considerable number of agents. Another proposed change in the constitution would make it possible to have associate members which would be composed primarily of state and special agents of the companies. This has certainly created conversation among the agents as well as the field men. The company men do not think that they rightfully should be a member of an agent's organization and some of the local agents also do not think that special agents should belong to the association. It is expected that there will be a good attendance at this meeting because of these three discussions in which so many persons are interested.

### Missouri Program Announced

**Bennett, Dauwalter, O'Malley and Lorenz to Address Agents Convention at Columbia, Oct. 8-9**

Secretary W. H. Bennett of the National Association of Insurance Agents, New York, F. S. Dauwalter, New York, director Business Development Office, and Superintendent O'Malley of Missouri are headliners on the annual convention program of the Missouri Association of Insurance Agents at the Columbia, Mo., meeting, Oct. 8-9. Headquarters will be the Tiger Hotel. A. W. Lorenz, assistant manager accident and health department Maryland Casualty, Baltimore, and D. P. Janes of Jefferson City, district supervisor bureau of motor carriers, Interstate Commerce Commission, are among the many speakers scheduled.

F. W. Wilbur of McCluer & Wilbur, Kansas City, was to be on the program Oct. 9 to speak on "Retrieving Automobile Fire and Theft Premiums from the National Finance Companies," but will be unable to attend.

##### Officers of Association

W. A. Sheldon, Unionville, is first vice-president; M. L. Cleven, Poplar Bluff, second vice-president; H. J. Wassweiler, Springfield, third vice-president, and J. W. Rodger, St. Louis, executive secretary.

The convention committee of Columbia agents consists of C. B. Rollins, Jr., chairman; G. F. King, L. H. Vandiver, W. S. Branham and J. H. Lightner. The complete program is:

##### Thursday, Oct. 8

10 a. m.-12 m. Registration in lobby; no registration fee.

12:15 p. m. Luncheon and opening session.

Call to order, Lorren W. Garlich, St. Joseph, president.

Welcome to Columbia, C. B. Rollins, Jr.

Report of secretary-treasurer, John F. Barclay, Mexico.

Appointment of committees—resolutions and nominations.

Report of National Councillor L. E. Bright, of Lawton-Byrne-Bruner agency, St. Louis.

W. H. Bennett, secretary-general counsel National Association of Insurance Agents, New York.

"Local Boards," Fred H. Phillips, of E. W. Phillips & Son, Springfield.

R. E. O'Malley, insurance superintendent, Jefferson City.

"How to Sell Personal Accident Insurance," A. W. Lorenz, assistant manager accident and health department, Maryland Casualty, Baltimore.

"Mutual Competition," M. L. Cleven, Robinson Insurance Agency, Poplar Bluff.

"Membership Campaign," W. A. Sheldon, Unionville.

Adjournment to 7:30 p. m. for annual banquet.

7:30 p. m. Banquet and informal dance, Ballroom Tiger Hotel.

Toastmaster, P. K. Weis, Moberly, past president Missouri Association.

Entertainer, Tom Collins, Sunday editor Kansas City "Journal Post."

##### Friday, Oct. 9

9:30 a. m. Reassemble in ballroom.

Report of accident and fire prevention committee, S. E. Busler, Kansas City.

Report of non-stock competition committee, C. H. Morrill, chairman, W. H. Markham & Co., St. Louis.

F. S. Dauwalter, director Business Development Office, New York.

Report of legislative committee J. J. McGee, chairman Thos. McGee & Sons, Kansas City.

P. B. McHaney, author of Missouri insurance code proposed at last session of legislature, General American Life, St. Louis.

"The Absurdities in Public Liability Forms and What They Mean to the Agent," W. J. Welsh, of Mann-Barnum-Kerdolf-Welsh, Kansas City.

"Insurance Requirement for Motor Trucks," D. P. Janes, district supervisor bureau of motor carriers, Interstate Commerce Commission, Jefferson City.

Report of compensation committee, George Oppenheimer, chairman, Oppenheimer Brothers, Kansas City.

Discussion on retrospective compensation insurance and its possibilities in other lines of insurance, E. W. Fritschle, Laclede Insurance Agency Company, St. Louis.

Report of resolutions committee.

Report of nominating committee.

Adjournment.

### General Loses Michigan Tilt

**Seattle Company Refused Declaratory Judgment in Suit to Force Approval of Rate Deviation**

The Michigan department won the first skirmish in the litigation inaugurated by the General of Seattle in its attempt to force Commissioner Ketcham to accept a 20 percent fire rate deviation in the state.

Judge Moinet in federal court at Detroit refused to grant a declaratory judgment petitioned for by the company and dismissed a show cause order directed against the commissioner. An order will be prepared declining the declaratory judgment upon which testimony may be taken at a future date if the company wishes to continue its contest. Judge Moinet indicated, however, that the company would be required to make a showing that the commissioner's action of May 15, revoking approval of the General's deviation filing, given Feb. 15, was either arbitrary or fraudulent.

##### Ruling of the Court

The court's finding was on the basis of a motion to dismiss presented by Samuel S. Greenberg, assistant attorney-general, appearing for the commissioner who was represented directly by First Deputy Corell, who signed both the approval and revocation orders relating to the deviation. The court's action apparently was unexpected to representatives of the company who had been confident of obtaining the declaratory judgment. It was indicated that they would continue the fight, in all probability demanding a hearing in federal court. In addition to R. S. Pierce, chief counsel, the company was represented by Joseph J. Cavanaugh, Detroit counsel. The General's only Michigan

agency, Kelly, Halla, Peacock, Inc., was also represented by Mr. Peacock.

### Insurance Committee for Horner for Governor Busy

Agents in Illinois are receiving this week literature from the Illinois Insurance Committee, 466 Insurance Exchange, Chicago, the organization which is seeking to enlist insurance people to vote for the reelection of Governor Horner of Illinois. Roy L. Davis, well known life insurance man, is state chairman and is spending most of his time at headquarters. The advisory board consists of Fred C. Bracken and Clark E. Nolan, well known Chicago brokers; S. E. Moisant of Kankakee, secretary Illinois Association of Insurance Agents; J. Hawley Wilson, Massachusetts Mutual Life, Peoria; Martin A. Zitzmann, Chicago general agent Midland Mutual Life; Allan I. Wolff of Chicago, past president National Association of Insurance Agents, and T. A. Lauer, Northwestern Mutual, Peoria.

Contained in the mailing this week is a pledge card which the recipient is solicited to sign. There is a reproduction of a letter to Mr. Davis from Governor Horner stating: "So long as I am governor the policyholders of this state may expect—and will have—an impartial administration of the insurance laws and those laws will be amended and strengthened as occasion requires and I shall appoint to office in that department only men capable of giving that sort of administration."

The bulletin states:

#### Outline Horner Achievements

"What Henry Horner as governor did was to place insurance supervision under a separate code department directly responsible to him. He stayed the foreclosures on farms and homes by means of emergency legislation. He prevented future failures of life insurance companies through the enactment of one of the most rigid investment laws in the United States, thus protecting the funds entrusted by policyholders to the companies—a law which all sound thinking life insurance executives have endorsed. He made twisting and rebating—curses of the insurance fraternity—violations of the law. He brought insurance company liquidations directly under the supervision of the department of insurance, thus saving Illinois further ignominy and more hopeless failures. Fraternal beneficiary societies were brought into line by the code to provide adequate supervision and actuarial solvency on a sound basis, protecting millions of fraternal members. Unethical and unscrupulous self styled insurance agents were driven out of the business by a model agents' and brokers' qualification law—fleecing operations brought to an abrupt end."

The circular contends that although Governor Horner has accomplished much he has not completed his program. The insurance men, regardless of party affiliation, are urged to vote for Mr. Horner.

### Saginaw Adopts New Plan of Placing City Insurance

SAGINAW, MICH., Sept. 30.—A new systematic method of placing city insurance is being inaugurated by the city council as the result of a study by a special committee, assisted by the Saginaw Association of Insurance Agents and independent agents. The local board is to be allotted 70 percent of all city business, Frost & Co., 15 percent and other independent agents 15 percent.

City Manager Cookingham said the best insurance service can be obtained by designating one or more agents of record from whom to secure all insurance advice and who are responsible. The insurance committee, he said, recommended the Saginaw association, through Marxer, Nelson & Duff, be des-

ignated agent of record for fire insurance and Frost & Co. for casualty.

The committee pointed out that old line rates were uniform so no concessions could be expected on municipal business. It was said, however, that the plan adopted would provide a fair distribution of the city's business and assure proper advice and service.

A comprehensive valuation of city property for insurance purposes has been made by the committee with assistance of insurance men.

### Last Picnic of Season

The Houghton County, Michigan, Association of Insurance Agents held its last picnic of the season at the Healy-Douglass lodge at Twin Lakes. The afternoon was devoted to horseshoe playing and skeet shooting. A buffet lunch was served by Jack Healy, son of James T. Healy, special agent of the Springfield. Elmer Kratt, local agent, and Urban Krier, special agent of the U. S. F. & G., carried the honors in the horseshoe contest, winning the \$10 prize. The skeet shooting honors went to George Goetz of Milwaukee of the U. S. F. & G. The next meeting of the association will take place the latter part of October.

### Nelson New Saginaw Head

SAGINAW, MICH., Sept. 30.—D. H. Nelson was named president of the Saginaw Association of Insurance Agents at the annual meeting, succeeding F. K. Ferguson. Other new officers are: Vice-president, D. W. Draper; treasurer, J. M. Wheeler; secretary, A. F. Reise; member executive committee, C. A. Baskins.

### Rejects Protection Contract

SAGINAW, MICH., Sept. 30.—Definite rejection of a proposed contract for provision of fire protection by the city of Saginaw has been voted by the Buena Vista township board. The board, which will frame its own contract and place it before the voters at the spring election in 1937 for approval, contends the city's contract calls for exorbitant service rates.

### Fire Cost Levy Proposed

The suggestion that the cost of extinguishing fires caused by negligence, carelessness, disregard of fire code or arson, be assessed against those found guilty, is made in a bulletin issued by the Civic Research Institute of Kansas City. The bulletin contemplates a plan that would levy cost according to responsibility.

The bulletin proposes that fires should be investigated to establish guilt if such exists; the one responsible for the fire should be designated as defendant; assessment should be on a basis of cost to the fire department for extinguishing the fire, and refusal to pay should be followed by suit by city attorney.

### New Hutchinson Office

The Western Adjustment opened an office in Hutchinson, Kan., 607 First National Bank building, for G. F. Hanselmann and G. T. Corbett, resident adjusters. W. B. Hershe was recently transferred to Wichita from the Chicago office giving Manager G. M. Montgomery three assistants at Wichita. Aaron Williams, resident inspector at Dodge City, is also under the supervision of the Wichita office.

### Sioux City Board Elects

SIoux CITY, IA., Sept. 30.—R. S. Andrews was elected president of the Sioux City Fire & Casualty Underwriters; W. C. Wollé, vice-president; L. M. Hassenger, secretary-treasurer. P. C. Howe, retiring president; R. P. Brown and F. W. Colvin were named on the executive committee. Committees appointed are: Program, W. C. Wollé, R. P. Brown and W. S. Snyder; membership, J. W. Wooldridge, M. Seff and W. F. Grandy, Jr.; brokerage, A. M. Davis,

Franklin Britton and F. W. Colvin, Jr.; publicity, F. W. Colvin, P. C. Howe and L. M. Hassenger. H. P. Pratt a member of the local board, is president of the Iowa Association of Insurance Agents.

### Annual Tournament

Lawton-Byrne-Bruner, St. Louis, held its annual golf tournament and agency banquet. Frank Bush acted as toastmaster, assisted by George D. Thomas, both of the agency.

Frank Reedy, one of the agency's brokers, had the low net with a 70 in the golf tournament. O. P. Rush, vice-president of the Kansas City Fire & Marine, won the blind bogey with a 72.

### Indiana Returns for 1935

The Indiana insurance report for last year showed fire company premiums \$18,129,679, casualty premiums \$18,319,617, reciprocals \$2,674,239, Lloyds \$127,649. There were 709 companies of all kinds operating in the state on June 30, a year ago. On June 30, this year, there were 716 companies. The Indiana department held on deposit for all Indiana, companies, including deposits required of Indiana companies by statute and of other states under reciprocal laws, \$159,113,719.

### Agents Licenses Increasing

LANSING, MICH., Sept. 30.—The number of agents' licenses in Michigan is increasing steadily, a department tabulation indicates. The number for classes issued as of Aug. 31 for the licensing year ending next April 1 is 65,611, compared with 62,430 on that date in 1935, 59,861 in 1934 and 57,223 in 1933. The increase between 1933 and 1934 was partially attributable to a 1933 act placing farmers' mutual agents under licensing provisions.

Major increases have been in the life and casualty fields. The number of fire

licenses gained but slightly, Sept. 1 totaling 27,206 compared with 26,579 on the same date in 1935. Casualty licenses totaled 22,033 in 1936 and 19,146 in 1935. There was a slight decline in farm mutual licenses in force, from 3,796 in 1935 to 3,635 in 1936. Cooperative and reciprocal licenses in force increased from 1,068 in 1935 to 1,194 in 1936.

### Baldwin Agents in Contest

Agents of the H. C. Baldwin agency of Indianapolis, Indiana state agency for the Gulf and Lloyds America, are taking part in a contest to qualify for a southern trip in which 15 agents will be selected on a point basis. The winners will be taken to the Texas centennial exposition at Dallas and also on a trip to San Antonio.

### Open Fall Season

The St. Louis Cat's Meow opened its fall season with a dinner meeting.

### T. I. King With Mutual Group

T. I. King, who resigned recently as manager of the Farm Bureau Mutual of Indiana, has been appointed special representative of the Federal Hardware & Implement Mutuals, to make headquarters at 130 East Washington street, Indianapolis. He took a training course at the home office in Stevens Point, Wis.

### Middle West Notes

B. J. Lichty has purchased the Waterloo Agency, Waterloo, Ia., from Cyril J. Beaver, who is planning to move to California.

The Paul C. Howe Agency, Sioux City, Ia., has acquired the business of the Harriet Webb Agency. Miss Webb is a daughter of Percy Webb, who was for many years a Sioux City insurance man.

The Drennan & Seldon agency opened a branch office at 10339 Puritan avenue, Detroit, to serve insurance and real estate clients in the northwestern section, with R. H. Jewett in charge. Russell Grow heads the agency's insurance department.

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## IN THE SOUTHERN STATES

### L. L. Gwaltney in New Post

**Alabama Deputy Superintendent Resigns to Become Executive Vice-President of Guaranty Life**

L. L. Gwaltney, Jr., deputy superintendent of insurance of Alabama, has resigned to become executive vice-president and general manager of Guaranty Life of Troy, Ala. He had been in the life insurance business for 15 years before going with the insurance bureau two years ago when Frank N. Julian became superintendent. Mr. Julian announced his office staff had been promoted all along the line in order to fill the Gwaltney vacancy.

It is understood that George M. Thigpen, compensation clerk in the state insurance department, will become deputy insurance superintendent to succeed Mr. Gwaltney. Mr. Thigpen served as superintendent of insurance during the first term of Governor Graves eight years ago.

### New Enid Exchange

The Enid, Okla., Insurers Exchange has been established with H. P. Frantz, president; Tom Dillingham, secretary; and C. S. Marsh, vice-president.

### Ebaugh Is President

The Birmingham Association of Insurance Agents elected John L. Ebaugh, president, at its annual banquet. Charles van W. Cornell is vice-president and E. P. Rosamond, Jr., secretary-treasurer. Special guests included Frank N. Julian, state superintendent of insurance, field men, adjusters and rating bureau officials. F. E. Spain was toastmaster.

### Conway Observes 50th Year

NEW ORLEANS, Sept. 30.—Congratulatory telegrams, letters and flowers were showered upon Alfred Conway, head of the Eustis & Conway agency, New Orleans, on his 50th anniversary in insurance. He began with the Wm. M. Bailey agency in 1886, and nine years later he and H. S. Eustis established their own agency. Mr. Eustis died many years ago but the firm name remained unchanged. The Firemen's Fund has been in the agency since it was established and other companies have been represented for more than a quarter century. Mr. Conway's son, Joel, is associated with him.

### Richardson Is Champion

Archer L. Richardson, secretary of the Insurance Exchange of Richmond, Va., was the champion horse shoe thrower at the annual outing of the exchange held at Chickahominy Club. The annual business meeting will be held the latter part of October.

### Windstorm Rates Decreased

NEW ORLEANS, Sept. 30.—The Louisiana insurance commission has approved a decrease in windstorm rates on buildings of superior construction in the inland territory of Louisiana from 10 to 5 cents. Seacoast rates on such buildings are unchanged. The contents rate on apartment houses, dwellings, office buildings, hotels and moving picture theaters of superior construction is now the same as building rate, being reduced from 15 to 5 cents and 25 to 15 cents.

### Reduce Insurance Rates

Recommend  
**JUSTRITE OILY WASTE  
AND SAFETY CANS**  
Approved and Labeled by the Underwriters Laboratories and Associated Factories Mutual Insurance Co.  
**JUSTRITE MANUFACTURING COMPANY**  
SOUTHPORT AVE. CHICAGO, ILL.

Contents rates of all other classes than above have been reduced from 15 to 8 cents inland and from 25 to 24 cents seacoast. Heavy machinery on independent foundations takes the same as building rate.

### New Oil Hazard Rates

LOUISVILLE, KY., Sept. 30.—As a result of oil development at Livermore, Ky., an eighth class town of less than 2,000 people, the Kentucky Actuarial Bureau has put out a bulletin regarding insurance rates and penalties to be added where buildings are exposed to the new hazards, such as oil wells, sludge ponds, receiving tanks, etc., such as have sprung up all over the town, where oil development work is found on nearly every open piece of land.

### Service Office at San Angelo

Hugh Sloan & Company, San Antonio general agency, has established a service office in San Angelo in charge of R. P. Sloan, special agent.

### Approve City Cover Distribution

OKLAHOMA CITY, Sept. 30.—Although original allotments caused some dissatisfaction, the distribution of \$2,000,000 of fire and casualty insurance by the city board of education is now on a satisfactory basis. The board has rejected the suggestion that all insurance be canceled and premiums credited to a reserve fund for loss payments.

Clarence Haskett, chairman of a group of insurance men acting in an advisory capacity to the board, said the final adjustment was re-issuance of a \$50,000 policy to R. D. Cravens agency. It was first issued to H. G. Bornheim's agency,

and it was later discovered his company had not requisitioned the state insurance board for license.

Otto Rose, board chairman, said substitution of a reserve fund for casualty insurance could not be done except by special authorization of the Oklahoma legislature.

### Will Construe Mississippi Law

Whether agents upon a commission basis are company employees within the meaning of the Mississippi social security law or are independent contractors is under review by the authorities of that state. Briefs have been filed by the Association of Life Insurance Presidents and by the Underwriters Social Security Service. It was stated by one of the Mississippi officials that the federal government had held agents were employees; no copy of such opinion has been received by any insurance company, however. Utah and Idaho recently enacted social security laws, but have not yet issued requirements thereunder.

### Southern Notes

**Leslie Costley** is entering the local agency field at New Braunfels, Tex.

**R. Lee, Emery & Kaufman**, New Orleans, has returned from an extended European tour.

**Sid Meers** of Brady, Tex., has disposed of his local agency there and it is understood will hereafter have his adjustment office in Dallas, Tex.

**C. L. Anderson**, San Antonio special agent for the Republic Fire, announces the marriage of his daughter, Imogene Anderson, to B. Woods at Baltimore, Md.

**J. H. Green**, formerly for five years with the Kennedy & Ely Agency, Miami, has joined the staff of the Green-Keyes Agency, Biscayne building, to handle general lines of insurance.

**C. H. Hupp**, who established the Hupp Insurance Agency at Mercedes, Tex., in 1922, has sold his agency to J. G. T. Colley and R. R. McAfee. He will now devote all his time in developing the general agency in the Lower Rio Grande Valley for the General American Life.

## PACIFIC COAST AND MOUNTAIN

### California Convention Plans

**W. Owen Wilson, Commissioner Carpenter, Other Notables on Agents Program, Oct. 21-23**

Plans for the annual convention of the California Association of Insurance Agents to be held in San Jose, Oct. 21-23, indicate a comprehensive program looking toward education of the agent, development of business and a greater interest in civic affairs, particularly street and highway safety.

With all classes of insurance, fire, casualty and life, represented on the opening program, the convention will get under way Wednesday afternoon, Oct. 21. Wednesday morning is to be devoted to registration and a meeting of directors. The principal speaker at the opening session will be W. Owen Wilson, who is slated for election as president of the National Association of Insurance Agents.

#### Other Notables to Speak

Other speakers will include E. C. Fox, president California Association of Insurance General Agents; J. R. McKinney, vice-president Casualty Association of California; Ray Decker, president Pacific Board, and J. M. Hamill, past president San Francisco Life Underwriters Association. Another important speaker will be Commissioner Carpenter of California.

The Thursday morning session will open with discussion of street and highway safety by Douglas Evey, chairman of the accident prevention committee, his subject being, "What Price Carelessness?" Ray Ingels, director California motor vehicle department will speak on "Can We Find a Remedy?" F. M.

Lane, president East Bay Insurance Exchange, will discuss "The Pros and Cons of Compulsory Automobile Insurance." He is in Pittsburgh attending the national convention, after which he will spend some time in Massachusetts studying the Massachusetts law preparatory to his address before the California agents. Discussion at this session will center on "Practical Methods of Servicing Automobile Fleets."

#### W. Owen Wilson to Speak

A feature Thursday, Oct. 22, will be a joint service club luncheon with W. Owen Wilson as principal speaker. Thursday afternoon is to be an executive session for members only.

Activities Friday will open with a breakfast conference for local associations interested in writing political subdivision insurance, the balance of the morning and a portion of the afternoon session being devoted to group conferences on agency management and operation as well as business development. Among subjects for discussion are: "Selling Net Earnings Insurance," "All Risks Personal Property Floater," "The Standard Automobile Insurance Policy," which will be presented by F. L. McDowell, Riverside, and "A Joint Enterprise," by F. S. Dauwalter of New York, director Business Development Office.

#### Sales Skit and Awards

A sales skit prepared by Stanley Pearce, advertising manager Fireman's Fund group, is to be presented at the afternoon session by professional talent, followed by presentation of awards in the Kirschner & Co. contest for the best slogan for use in local agency advertising, and the annual election. The banquet and ball will be held Friday

### 98-Year-Old Veteran of Great Fire Grand Old Man

"Louis Mel, who imported grape cuttings from France in the long, long ago and helped to make the Livermore Valley famous for its wines, is 98 years old and still a good judge of the fruit of the grape," read a newspaper caption under the quarter page picture of the veteran on his birthday recently. This brief caption tells little of the Louis Mel, now 98 years of age, as remembered by "old timers" of the Pacific Coast insurance fraternity, especially at San Francisco where he was prominent many years ago. Many of his associates are now gone and few remembered the pioneer until his romantic insurance career was told by the older members of the Aetna Fire's Pacific Coast office in San Francisco, with which Mr. Mel was associated. He was retired about 25 years ago, but remains on the "reserve list." Mr. Mel, born in France, came to San Francisco the son of one of the earlier pioneers and entered insurance in the 80's. He was associated with E. W. Carpenter, later secretary of the Fireman's Fund group, and then became identified with Faulkner Bell & Co., pioneer San Francisco organization, an English interest, which like others of that day was known as an importing, exporting and insurance firm. It was this latter firm, as representatives of the London & Lancashire, Royal and Norwich Union Fire, that issued that policy known and recalled as the "triple security," written jointly by the three British organizations.

#### Special Agent and Adjuster

When Mr. Mel became associated with the Aetna Fire, it was his duty as special agent to travel the entire Pacific Coast territory, doing also general adjusting. Mr. Mel was known as one of the truly qualified adjusters of the old school. During recent years, Mr. Mel, still in splendid command of all his faculties, left his ranch to reside in Berkeley. In the San Francisco earthquake and fire, he and his associates placed all Aetna Fire records and valuables for safe keeping in a vault that withstood the conflagration and enabled the company speedily to pay "dollar for dollar" losses suffered by policyholders.

George Mel, a brother now dead, also was prominent in western insurance circles, having been Pacific Coast manager for the Pennsylvania Fire and later for the Liverpool & London & Globe, at San Francisco.

night. Wednesday evening there will be a stag smoker with boxing bouts and other entertainment features.

### To Meet on Unlicensed Carriers

SALEM, ORE., Sept. 30.—Commissioner Earle shortly will announce the date of a meeting of representatives of the Oregon Agents Association and members of the Portland Insurance Exchange to decide upon the best means of combating the non-admitted company evil.

### Olympia Riot Loss Settled

OLYMPIA, WASH., Sept. 30.—Compromise settlement of the riot and civil commotion loss to the plant of the Sanitary Dairy here, which was bombed during a labor fight last February, has been made for \$6,850. There was \$10,000 strike and riot insurance.

### Two California Groups

SAN FRANCISCO, Sept. 30.—Because of the size of California, it has been deemed advisable to have two joint committees of agents and fieldmen cooperate in the work of the Business Development Office. The southern California committee consists of C. J. Turner, Los Angeles; James Ingham, Pasadena; Francis McDowell, Riverside,

# INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

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Co. Trial of All Insurance Cases in State and  
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Equipped for investigation and adjustments in  
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**HADSELL, SWEET,  
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State and Federal courts, Western Georgia.

**BRYAN, MIDDLEBROOKS  
& CARTER**  
LAW OFFICES  
Suite 924  
Citizens & Southern National Bank Building  
Equipped for investigations, adjustments, settlement  
of claims, and trial of all insurance cases in Georgia.

**Hitch, Denmark & Lovett**  
17 Drayton Street  
Savannah, Georgia  
Representing American Surety Co. of N. Y., New  
York Cas. Co., Continental Cas. Co., National Surety  
Corp., and numerous others.  
Equipped for investigations, adjustments, settlement  
of claims, and trial of all insurance cases in State  
and Federal Courts in Southern District of Georgia.

## IDAHO

**MARTIN & MARTIN**  
504-509 Idaho Building  
Boise, Idaho  
Fireman's Fund Insurance Company; Loyalty Group;  
Ohio Casualty Insurance Company and others.  
Equipped for investigation, adjustments and settle-  
ment of all claims. Trial of all cases in State and  
Federal Courts in Southern Idaho.

**OTTO E. McCUTCHEON**  
208 Salisbury Building  
Idaho Falls, Idaho  
Standard Accident of Detroit, Fidelity & Deposit  
and others.  
Investigations, adjustments, and trial of all insur-  
ance cases in State and Federal Courts—Northeastern  
Idaho.

**JONES, POMEROY & JONES**  
Central Building  
Pocatello, Idaho  
Loyalty Group, Central Surety & Insurance, Kansas  
City, and General Group, Seattle.  
Equipped for investigations and trial of all insur-  
ance cases, State and Federal Courts, Southeastern  
Idaho.

**CHAPMAN & CHAPMAN**  
Burkholder Building  
Twin Falls, Idaho  
General Group of Seattle, Hartford Accident &  
Indemnity and others on request.  
Equipped for investigations and trial work in State  
and Federal courts in south central Idaho.

## ILLINOIS

**Silber, Clausen, Hirsh & Woley**  
Attorney & Counselors  
208 South La Salle Street  
CHICAGO  
Special Attention to the Law of  
Fire Insurance and Taxation

**LORD, LLOYD & BISSELL**  
Rm. 2460—135 South La Salle Street  
Chicago, Illinois  
Insurance defense—Casualty, Surety, Life &  
Fire Lines.

**CLARENCE W. HEYL**  
8th Floor Central National Bank Bldg.  
Peoria, Illinois  
Trial of Insurance cases: representing  
MARYLAND, FIDELITY & CASUALTY  
ROYAL, GLOBE, EAGLE, BANKERS  
INDEMNITY AND OTHERS.

**JOHN M. MITCHEM**  
101 South Broadway  
Urbana, Illinois  
OHIO CASUALTY  
Equipped for investigation and adjustment of  
claims.

## INDIANA

**HENRY & FUNK**  
Investigations—Adjustments—Trial Work  
References on Request  
501-7—130 E. WASHINGTON BLDG.  
INDIANAPOLIS

**Slaymaker, Merrell & Locke**  
Attorneys specializing in All Phases of  
Fire, Marine, Life & Casualty  
Insurance Litigation  
751-700 Consolidated Building  
INDIANAPOLIS

# INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

## IOWA

### DEACON, SARGENT & SPANGLER

915 Merchants Bank Building  
Cedar Rapids, Iowa

Equipped for Investigations, Adjustments and Trial of All Insurance Cases

### BRADSHAW, FOWLER, PROCTOR & FAIRGRAVE

Suite 510 Crocker Building  
Des Moines, Iowa

Representing Continental Casualty-Loyalty Group-Hartford Accident and many others. Equipped for investigations and adjustments of Insurance Claims.

### PRICE, RIDER & KEEFE

State Bank Building  
Fort Dodge, Iowa

Continental, General Accident, Western Automobile, and fourteen others. Equipped for investigations.

### BREESE & CORNWELL

First National Bank Building  
Mason City, Iowa

Equipped for Investigations-Northern Iowa

### A. R. STRONG

623 Davidson Building  
Sioux City, Iowa

Equipped for investigations, settlement of claims, all insurance cases in State and Federal Courts.

## KANSAS

### TINCHER, RALEIGH & CUSHENBERY

301-302 First National Bank Building  
Hutchinson, Kansas

Insurance Companies represented: National Union Indemnity Co., Ocean Accident and Indemnity Co., Columbia Casualty Co., Metropolitan Casualty Ins. Co. (Loyalty Group), Commercial Casualty Co. Investigations, Adjustment and defense trial work.

### KELLER, MALCOLM & BURNETT

204-206 National Bank Building  
Pittsburg, Kansas

Counsel for: Aetna Group, Employers Group, Standard Accident, Central Surety, United States Fire, Fireman's Fund and others. Specializing in Insurance Law. Equipped for Trial of Cases, Investigations and Adjustments over Southwestern Kansas.

### NORRIS, SMITH & JENKINS

Public Utility Bldg.  
Salina, Kansas

Insurance Companies represented: Fidelity & Casualty, Fidelity & Deposit, Loyalty Group, American Surety, Hardware Mutual and many others. Equipped for investigations, adjustments and trial of cases in Northwest Kansas.

### Doran, Kline, Colmery, Cosgrove

903 National Bank of Topeka Bldg.  
Topeka, Kansas

Equipped for investigation, adjustment, settlement and trial of Insurance business of all kinds in Kansas.

### BLOOD & PROSSER

402 Schweiler Building  
Wichita, Kansas

General Counsel Santa Fe Trail System, Traders & General, American Fidelity and others. Investigations, adjustment of claims, and trial work Southern and Southwestern Kansas.

## KENTUCKY

### Davis, Boehl, Viser and Marcus

(Blakey, Davis and Lewis)  
Kentucky Home Life Building  
Louisville, Kentucky

Investigations, Adjustments and Trial of all Insurance Cases.

### Woodward, Dawson & Hobson

Insurance Attorneys

615-24 Inter-Southern Bldg.  
Louisville, Kentucky

## LOUISIANA

### COBB & JONES

840 Canal Bank Building  
New Orleans, La.

General Counsel for Pan-American Petroleum & Transport Company and Penick & Ford, Inc., in southern states. Specializing in casualty and surety. Trial of all cases in State and Federal courts.

## MARYLAND

### WALTER L. CLARK

Russell C. Thomas  
Clatter W. Smith

Baltimore Trust Building  
BALTIMORE - MARYLAND

## MASSACHUSETTS

### CRYAN, SHAW AND BRADLEY

33 Broad Street  
Boston, Massachusetts

Counsel for numerous insurance companies. Names given on request. Equipped for investigation, adjustment and trial of all insurance cases in State and Federal Courts.

### MILTON J. DONOVAN

31 Elm Street  
Springfield, Massachusetts

Fire Companies Adjustment Bureau, Inc. Trial of all insurance cases including casualty, fire and surety in State and Federal Courts.

## MICHIGAN

### SEABORG & RICE

Attorneys and Counselors

827 Penobscot Building  
Detroit, Michigan

Randolph 5160

### PAUL H. SCHULZ

Michigan Theatre Building  
Detroit, Michigan

Trial of cases, Investigations and adjustment of claims. Technologist Service.

### EARL P. TROBERT

405-6 Dryden Building  
Flint, Michigan

Phoenix Indemnity Company, Zurich-General Accident & Liability Insurance Company, Western Adjustment & Inspection Company and others.

### NORRIS, McPHERSON, HARRINGTON & WAER

1107 Peoples Bank Building  
Grand Rapids, Michigan

## MICHIGAN (Cont.)

### ROSENBERG & PAINTER

801-8 Reynolds Bldg.  
Jackson, Michigan

Represent: Zurich, London & Lancashire, Western & Southern, Provident Life & Accident, Michigan Mutual, Ohio Casualty, Citizens Mutual and others. Investigations and adjustments in central and southern Michigan. Trial of all insurance cases.

### FOSTER & CAMERON

709 American State Savings Bank Building  
Lansing, Michigan

Aetna Group and Others  
Trial of Cases, Investigation and Adjustments

### NASH & NASH

602 Second National Bank Building  
Saginaw, Michigan

Equipped for investigations, adjustments, settlement of claims and trial of insurance cases in Northeastern Michigan.

## MINNESOTA

### BALDWIN, HOLMES, MAYALL & REAVILL

900 Alworth Building  
Duluth, Minnesota

Travelers' Group, Mass. Bonding & Insurance Co., Pacific Mutual Life Insurance Co.

### GUESMER, CARSON & MacGREGOR

1218-1232 Roanoke Building  
Minneapolis, Minnesota

### SEXTON, MORDAUNT, KENNEDY & CARROLL

Trial of insurance cases in Federal and State Courts in Minnesota.

Investigations, adjustments, and settlement of claims.

Pioneer Building Security Bldg. St. Paul, Minn. Minneapolis, Minn.

## MISSISSIPPI

### WELLS, WELLS AND LIPSCOMB

9th Floor Lamar Life Building  
Jackson, Mississippi

Representing Hartford Acc. & Ind. Co., Fireman's Fund Ind. Co., Continental Cas. Co., Markel Service, Inc., Loyalty Group and many others on request. Equipped for investigations, adjustments, and trials all over state.

### WILBOURN-MILLER & WILBOURN

Citizens National Bank Bldg.  
Meridian, Mississippi

Equipped for investigations, adjustments, settlement of claims, trial of all insurance cases in State and Federal Courts in Eastern Mississippi.

## MONTANA

### M. J. LAMB

Billings, Montana

Massachusetts Bonding and Insurance Co. Trinity Universal Insurance Co. Aetna Casualty & Surety Co.

Fully equipped to handle investigations, and trial work in state and federal courts.

### CORETTE & CORETTE

619-621 Hennessy Building  
Butte, Montana

American Surety Company; New York Casualty Company; Sun Indemnity Company. Equipped for investigations, adjustments, trial of all insurance cases in Butte, Helena and western Montana.

## MONTANA (Cont.)

### HALL & McCABE

414 Strain Building  
Great Falls, Montana

Company representation upon request. Equipped for investigations, adjustments and trial of insurance actions in State and Federal Courts, in North & Northwestern Montana.

### MERLE C. GROENE

Lewistown, Montana

Standard Accident Company of Detroit, All-State Insurance Company, Chicago. Others on request.

## NEBRASKA

### MAYER & MAYER

116½ West Third Street  
Grand Island, Nebraska

Massachusetts Bonding & Insurance Company—others on request. Equipped for investigations, adjustments, settlement of claims. Trial of all insurance cases in State and Federal Courts in Central Nebraska.

### STEWART, STEWART & WHITWORTH

1412 Sharp Bldg., Lincoln, Nebraska

Trial of insurance cases in Federal and State Courts in Nebraska. Investigations, adjustments and settlement of claims.

### ROSEWATER, MECHAM, SHACKELFORD & STOEHR

1028-40 City National Bank Building  
Omaha, Nebraska

Representing 35 Insurance Companies—Kemper Group—Loyalty Group—Home—Liberty of Boston—American Surety—Security of Chicago—Employers of Wausau—Associated Ind. and others. Complete trial and claim service over Nebraska and Western Iowa.

## NEVADA

### Ayres, Gardiner & Pike

1st National Bank Building  
Reno, Nevada

Representing American Surety, Standard Accident and several other companies. Equipped to handle adjustments, investigations, settlement of claims all over Nevada.

## NEW MEXICO

### RODEY & DICKASON

1st National Bank Building  
Albuquerque, New Mexico

State counsel for various life, casualty and fire insurance companies. Trial of cases in all courts of New Mexico, State and Federal. Insurance clients references given on request. Adequately equipped for adjustments and investigations.

### WILSON & WATSON

Seneca Plaza  
Santa Fe, New Mexico

American Surety Co. of New York, Maryland Cas. Co., Trial of Cases in all courts of New Mexico, State and Federal.

Members of Firm: Francis C. Wilson John T. Watson John C. Watson

## NEW YORK

### GEORGE J. HATT, II

Chamber of Commerce Building  
Albany, New York

Equipped for investigations, adjustments, settlement of claims and trial of all insurance cases in State and Federal courts.

David F. Lee David Levene Daniel J. McAvoy

### LEE, LEVENE & McAVOY

TRIAL LAWYERS

310 Security Mutual Bldg. BINGHAMTON, NEW YORK  
Insurance attorneys. Especially equipped to handle investigations, adjustments and litigation over central New York.

# INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

## NEW YORK (Cont.)

**WILCOX & VAN ALLEN**  
1008 Liberty Bank Building  
Buffalo, New York

**CLARENCE E. MELLEN**  
51 Maiden Lane  
New York, N. Y.  
Mass. Bonding & Insurance Co.  
New Amsterdam Casualty Co.  
United States Casualty Co.  
Trial of all insurance and surety cases in State and Federal Courts. Equipped for investigations.

**BURNS & BURNS**  
502 Wilder Building  
Rochester, New York  
National Surety Corp.—American Surety Co.  
Equipped for investigations, adjustments, settlement of claims and trial of all insurance cases in state and federal courts.

**MELVIN & MELVIN**  
304-14 First Trust & Deposit Building  
Syracuse, New York  
Royal—Eagle—Century  
Equipped for investigations, adjustments, settlements and trial of all insurance cases—State and Federal Courts.

**DUNMORE, FERRIS & BURGESS**  
First National Bank Building  
Utica, New York  
Continental, Liberty, Norwich, Fidelity & Deposit  
Equipped for investigations, adjustments, settlement of claims. Trial of all insurance cases in State and Federal Courts.

## NORTH CAROLINA

**SMATHERS, MARTIN & McCOY**  
Jackson Building  
Asheville, North Carolina  
Representing Aetna, Travelers, Ind. Ins. Co. of N. A., American Surety Co., and many others.  
Equipped for investigations, adjustments and settlement of all claims. Trial of all cases in State and Federal Courts in Western North Carolina.

**EDGAR D. BROADHURST**  
Banner Building  
Greensboro, North Carolina  
Equipped for adjustments. Trial of insurance cases in State and Federal Courts.

**BURGESS, BAKER & ALLEN**  
The Raleigh Building  
Raleigh, North Carolina  
Sun. Ind. Co., Royal Ind. Co., Globe Ind. Co. and others.  
Investigations, adjustments and trial work in Central and Eastern North Carolina.

## OHIO

**SIEGFRIED GEISMAR**  
2295-6 Carew Tower  
Cincinnati, Ohio  
Automobile Mutual Insurance Co. of America, Providence, R. I.; Mercor Casualty Co., Celina, Ohio; Lloyds of Minneapolis; Builders & Manufacturers Mutual Casualty Co.; Employers of Wausau and others on request.

**JOHN H. McNEAL and HARLEY J. McNEAL**  
582 Auditorium Bldg., 1367 E. 8th St.  
Phone Main 1828  
CLEVELAND  
Attorneys-at-Law  
Facilities for investigations, adjustments and trial work over Northern Ohio.

## OHIO (Cont.)

**SANDLER, ELLIOTT & ASHBAUGH**  
814 Outlook Building  
Columbus, Ohio  
Representing Standard Accident, Massachusetts Bonding and others.  
Investigations, adjustments, trial of all insurance cases.

**Charles T. Warner**  
35 East Gay St., Columbus, Ohio  
(Former Judge of Common Pleas Court and Superintendent of Insurance of Ohio from 1931 to 1935).  
General Insurance Practice in All Courts and Insurance Department  
Investigation and Adjustment of Claims  
General Insurance Matters

**CABLE & CABLE**  
Masonic Building  
Lima, Ohio  
Representing American Surety, Fidelity & Cas. of N. Y., General Acc. Fire & Life, Phila.  
Trial of all insurance cases in Federal and State Courts. Equipped for investigations.

**YAGER, BEBOUT & STECHER**  
303 Second National Bank Building  
Toledo, Ohio  
American Surety Company, Phoenix Insurance Company of Hartford, Conn., and Massachusetts Bonding & Insurance Company.

**RUSSELL RAMSEY**  
801 Feick Building  
Sandusky, Ohio  
Equipped for investigations, adjustments, and settlement of all insurance cases.  
Bank reference: Western Security Bank (Counsel).

**L. M. CAILOR AND J. B. CUNNINGHAM**  
800-803 Union National Bank Building  
Youngstown, Ohio  
Equipped for investigations, adjusting, trial of all insurance cases in State and Federal Courts.

## OKLAHOMA

**Embry, Johnson, Crowe & Tolbert**  
First National Building  
Oklahoma City, Oklahoma  
Equipped for investigation, adjustments, trial of all insurance cases in the State of Oklahoma.

**V. E. McINNIS & JAMES H. ROSS**  
Ramsey Tower  
Oklahoma City, Okla.  
Representing Aetna Cas. & Sur. Co., Aetna Life, Prudential Ins. Co. of Amer., Car & General, Employers Reinsurance Co., Pacific Indemnity Co., and others.  
Equipped for investigations, adjustments and Trial All Insurance Cases.

**GEORGE M. NICHOLSON**  
Perrine Building  
Oklahoma City, Oklahoma  
Formerly Chief Justice of Supreme Court of Oklahoma.  
Trial of all insurance cases in State and Federal Courts.

**THURMAN & THURMAN**  
504-508 Braniff Building  
Oklahoma City, Oklahoma  
Representing F. & C. New York; F. & D., Baltimore; Mass. Bonding and many others given on request. Equipped for investigation, adjustments, settlement of all insurance claims. Trial of all insurance cases.

## OREGON

**HOWARD BERGMAN**  
Baker Loan & Trust Bldg.  
Baker, Oregon  
Equipped for investigations, trial of Insurance cases. All State courts.

**IMMEL & EVANS**  
First National Bank Building  
Eugene, Oregon  
Companies represented: U. S. F. & G. Co., Royal Group, Mass. Bonding & Ins. Co., and others on request. Equipped for investigation, adjustment and trial all insurance cases, State and Federal Courts, this territory.

**G. M. ROBERTS WM. M. McALLISTER**  
Medford National Bank Building  
Medford, Oregon  
Travelers, Indemnity Ins. Co. of North America, American Motorists Ins. Co., Pacific Indemnity Co., General Accident F. & L. Assur. Corp., Ltd.  
Investigations, adjustments and trial of all insurance claims in southern Oregon and Stikyrone and Del Norte Counties, Cal.

**Collier, Collier & Bernard**  
Suite 1220 Spalding Building  
Henry E. Collier John A. Collier  
E. F. Bernard  
Portland, Oregon

**DEY, HAMPSON & NELSON**  
800 Pacific Building  
Portland, Oregon  
Continental Cas. Co., American Motorist, Pacific Greyhound Lines and others.

**SHEPPARD & PHILLIPS**  
1208 Public Service Bldg.  
Portland, Oregon  
U. S. F. & G., Lloyds of London, others on request. Investigations & Adjustments.

## PENNSYLVANIA

**LEO A. NUNNINK**  
1513 Berger Building  
PITTSBURGH, PA.  
Phone Court 2245  
Attorney-at-Law  
Facilities for investigations, adjustments and Trial Work over Western Pennsylvania. Clients given on request.

## RHODE ISLAND

**SHERWOOD & CLIFFORD**  
1503 Turks Head Building  
Providence, R. I.  
Trials—Investigations—Adjustments

## SOUTH CAROLINA

**THOMAS-LUMPKIN & CAIN**  
1000-7 Central Union Building  
Columbia, South Carolina  
Specializing in Fire, Casualty, Surety and Life.  
Trial of all cases.  
Equipped for investigations and adjustments all over South Carolina.

## SOUTH DAKOTA

**BAILEY & VOORHEES**  
Charles O. Bailey (1866-1928)  
John H. Voorhees Melvin T. Woods, Jr.  
Theodore M. Bailey Roswell Bottum  
Howell L. Fuller  
BAILEY-GLIDDEN BUILDING  
SIOUX FALLS  
INSURANCE PRACTICE

## TENNESSEE

**AUST, McGUGIN & SPEARS**  
American Trust Building  
Nashville, Tennessee  
Representing Firemen's Fund, Lumbermans, American Motorist, and many others.  
Equipped for investigations, adjustments, trial of all insurance cases in State and Federal courts in Central Tennessee.

## TEXAS

**WAGSTAFF, HARWELL WAGSTAFF & DOUTHIT**  
Attorneys at Law  
Abilene, Texas  
Equipped to handle adjustments, investigations, settlement of claims and trial of all insurance cases.

**HART, PATTERSON AND HART**  
824-838 Littlefield Building  
Austin, Texas  
Representing F. & D., Baltimore, Zurich Ins. Co., Home Ins. Co. of N. Y., American National Ins. Co., and others on request.  
Equipped for adjustments in Central Texas and trial work in all courts—State and Federal.

**KING & RIENSTRA**  
286 Gilberts Building  
Beaumont, Texas  
Representing Employers Group, Boston, others on request.  
Trial of all insurance cases State and Federal Courts Eastern District of Texas.  
Equipped for investigations.

**HUBBARD, DYER & SORRELL**  
City National Bank Building  
Corpus Christi, Texas  
References: Maryland Casualty Company, American Fidelity & Casualty Company, Traders & General Insurance Company.  
Specializing in Insurance Law  
Equipped for Investigation and Claims

**COKE & COKE**  
First National Bank Building  
Dallas, Texas  
Henry C. Coke  
1886-1933  
Alexander B. Coke Henry C. Coke, Jr.  
Roser J. Coke Julian B. Martin  
Richard W. Coke Thomas G. Murnane  
John N. Jackson

**SANER, SANER & JACK**  
Twentieth Floor Republic Bank Bldg.  
R. E. L. Saner  
Jno. C. Saner  
Wm. H. Jack, Jr.  
DALLAS, TEXAS

**R. A. D. MORTON**  
553 FIRST NATIONAL BANK BUILDING  
EL PASO, TEXAS  
REPRESENTING:  
Metropolitan Life Ins. Co. in West Texas.  
Royal Indemnity Company.  
Indemnity Ins. Co. of North America, and others.  
SPECIALIZE:  
In Trial Work, all Courts.  
Adequately equipped for adjustments, investigations in Southwest Texas and Southeast N. Mex.

**Cantey, Hanger & McMahon**  
15th Floor Sinclair Building  
FORT WORTH, TEXAS  
Samuel B. Cantey Samuel B. Cantey, Jr.  
(1883-1934) Alfred McKnight  
William A. Hanger Gillis A. Johnson  
Mark Mahon R. K. Hanger  
W. D. Smith  
Investigations, Adjustments, Trial All Cases

**COLE, COLE, PATTERSON & BELL**  
Citizens State Bank Building  
Houston, Texas  
Galveston, Texas  
Standard Accident Insurance Company of Detroit, Chicago, Lloyds.  
United States Casualty Co. of New York City, etc.  
Equipped for investigation, adjustment, trial of all insurance cases and oil cases.

(Continued next page)

# INSURANCE ATTORNEYS

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## TEXAS (Cont.)

### BOYLES & ATKINSON

First National Bank Building  
Houston, Texas

Edward S. Boyles  
Norman Atkinson  
M. S. McCord  
E. F. Gibbons  
Willard L. Russell

### SIMMONS & ARNOLD

524-25 First National Bank Building  
Houston, Texas

New Amsterdam Cas. Co., Allman Fire of Pitts-  
burgh, Owens-Dargatz, American Central Fire, St.  
Paul Fire & Marine.

### BLEDSON, CRENSHAW & DUPREE

First National Bank Building  
Lubbock, Texas

Representing U. S. F. & G., F. & D., Maryland  
Casualty, American National Ins. Co., Amicable  
Life Ins. Co., and many others. Equipped  
for investigations—Adjustments—Settlement of claims  
in plain Country.

### BIRKHEAD, BECKMANN, STANARD & VANCE

800-811 Gunter Building  
San Antonio, Texas

### JOHN McGLASSON

608-9 Amicable Building  
Waco, Texas

Equipped for investigations, adjustment and set-  
tlement of claims and trial of cases in State and  
Federal Courts.

### T. R. (DAN) BOONE

City National Bank Building  
Wichita Falls, Texas

Representing: Home of New York—Loyalty  
Group—Hartford Accident—Many others.

## UTAH

### Stewart, Stewart & Carter

1105 Continental Bank Building  
Salt Lake City, Utah

Equipped for investigations, adjustments, set-  
tlements of claims and trial of all insurance  
cases State of Utah.

## VIRGINIA

### W. SHEPHERD DREWRY

241-244 Law Building  
Norfolk, Virginia

Indemnity Insurance Co. of N. A., United States  
Fidelity and Guaranty, Bankers Indemnity Co., Fire  
Association of Phila., American Indemnity Co., All  
State Insurance Co.  
Equipped for investigations, adjustments and trial  
of all insurance matters in State and Federal Courts.

### THOS. O. MOSS

State-Planters Bank Bldg.  
RICHMOND, VIRGINIA

Loyalty Group, American Fidelity & Casualty,  
Royal, Globe Indemnity and others.  
Equipped for investigation, adjustments and trial  
work.

### T. RUSSELL CATHER

34 Rouss Ave.  
Winchester, Virginia  
New York Life, Maryland Casualty,  
American Surety Co.

Equipped for investigations, trial of all  
cases, State and Federal Courts and Com-  
missions.

## WASHINGTON

### ALLEN, FROUDE & HILEN

Northern Life Tower  
Seattle, Washington

U. S. F. & G., Northwestern Mutual Life  
Ins. Co. Others on request.

### EGGERMAN & ROSLING

1824 Exchange Bldg.  
Seattle, Wash.

United States Fld. & Guar. Co., Maryland  
Casualty Co., and others.  
Trial of all insurance cases in State and Federal  
Courts in western Washington.

### N. A. PEARSON

403-04 Fourth & Pike Bldg.  
Seattle, Wash.

Associated Indemnity Corp., and London  
Guarantee & Accident Co.  
Equipped for investigations and adjustments and  
trial of all insurance cases in State and Federal  
Courts.

### ROBERTS, SKEEL & HOLMAN

Insurance Building

John W. Roberts  
E. L. Skeel  
Tom W. Holman  
Frank Hunter  
Tyre H. Hollander  
Laurence Booth, Jr.

SEATTLE

### DANSON, LOWE & DANSON

Paulsen Bldg.  
Spokane, Washington

Maryland Casualty Co., U. S. F. & G. Co.,  
and others on request.

Investigations and trial of all insurance cases in  
state and federal court.

### PEDIGO, WATSON & GOSE

218 First National Bank Bldg.  
Walla Walla, Washington

American Automobile of St. Louis, Great Lakes Cas-  
ualty Company of Detroit. Others on request.  
Equipped for investigations, adjustments, trial of all  
insurance cases, State and Federal Courts, South-  
eastern Washington.

### BONSTED & NICHOSON

Miller Building

Yakima, Washington

Loyalty Group, Pacific Indemnity, & others on re-  
quest. Equipped for investigation and adjustments,  
trial of all insurance cases in federal and state  
courts.

## WEST VIRGINIA

### PAYNE, MINOR, RAY, MAIER & DAVIS

Kanawha Valley Building  
Charleston, West Virginia

New York Casualty, American Surety, Zurich, Amer-  
ican Motorist and others on request.  
Equipped for investigations and adjustments. Trial  
of all insurance cases in State and Federal Courts.

### VINSON, THOMPSON, MEEK & SCHERR

First Huntington National Bank Building  
Huntington, West Virginia

Hartford Indemnity, General Accident, U. S. F.  
& G., U. S. Guarantee (Chubb & Son), Inter-Ocean  
Casualty Company (General Counsel), and others on  
request.  
Investigations, adjustments and trials—State and  
Federal Courts.

### RUSSELL, HITESHEW & ADAMS

285½ Fourth Street, (Box 510)  
Parkersburg, West Virginia

Employers' Group—The Fidelity & Casualty Com-  
pany of New York—Glens Falls Indemnity and  
others furnished on request.  
Equipped for investigations and adjustments. Trial  
of all insurance cases in State and Federal Courts.

## W. VIRGINIA (Cont.)

### NESBITT & NESBITT

208 Riley Law Building  
Wheeling, W. Virginia

Maryland Casualty Co., Travelers, Fidelity & De-  
posit of Maryland.

Equipped for investigation and adjustment. Trial  
of insurance cases in all courts.

## WISCONSIN

### WILLIAM J. GEENEN

Appleton, Wisconsin

American Motorists Insurance Company,  
Globe Indemnity Co.

Trial of all insurance cases in State and  
Federal Courts.

### KELLEY & BOERNER

32 South Main Street  
Fond du Lac, Wisconsin

Equipped for Investigations and Adjustments.  
Zurich, New Amsterdam and others.

### STREHLOW & CRANSTON

510 Northern Building  
Green Bay, Wisconsin

Equipped for adjustments, investigations and  
trial of cases.

### GRELLE & SCHLOTTHAUER

105 Monona Avenue  
Madison, Wisconsin

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Northern California agents are: S. F. Hammond, Jr., Oakland; L. R. Jeffords, Fresno; O. T. Baldwin, San Jose; Fred McGee, Sacramento; Harold Barnhart, Visalia. Fieldmen: Lee Colburn, America Fore; Hugh Colburn, Home of N. Y.; S. N. Wilson, Fireman's Fund; C. M. Rogers, Royal-Liverpool; and John B. Mallon, Crum & Forster.

### Slosson Is Named Manager

SEATTLE, WASH., Sept. 30.—F. M. Slosson has been named northern California department manager for the First National of Seattle, to write fire and allied lines. M. J. Joyce has been named his assistant.

### Holmes to Denver

W. J. Holmes, assistant to L. R. Sams, division manager of the Retail Credit Company at San Francisco, has been appointed manager at Denver in charge of Colorado, Wyoming and a portion of New Mexico. Mr. Holmes will be succeeded at San Francisco by W. L. Smith of Portland.

### California Slogan Contest

Local agents of California planning to participate in the contest for the \$50 cash prize offered by Kirschner & Co., San Francisco insurance advertising firm, for the best slogan for actual use in local agency advertising, should have their entries in the hands of the California Association of Insurance Agents prior to Oct. 15. Blanks for presentation of slogans will be distributed the opening day. The successful contestant will be announced the last day of the meeting. Judges for the contest include W. Stanley Pearce, advertising manager, Fireman's Fund group; Clem T. Buckman, local agent; Lou Townsend, president, Pacific Coast Association of Ad-

## Oregon Town Wiped Out in Sweeping Forest Fire

PORTLAND, ORE., Sept. 30.—Bandon, Ore., known as "Bandon-by-the-Sea," was entirely wiped out by fire. Property damage is estimated in excess of \$1,500,000. A forest blaze in a logging camp, backed by brisk wind swept down into the town, which was quickly doomed. Hundreds of automobiles were burned on the streets. All roads via land blocked with impenetrable smoke pall. Four persons killed.

vertising Clubs; Herbert Kirschner and Guy C. Macdonald, insurance publicists.

### Warburton Special Agent

G. A. Warburton, who formerly had his own local agency in Newark, N. J., went to the Pacific Coast in 1932 to enter the office of Swett & Crawford. He has just been appointed special agent for northern California for the Swett & Crawford general agency.

### Coast Notes

C. A. Whitechurch, local agent at Long Beach, has purchased the Jessie Lipsey Merriam agency.

C. L. Greaves, local agent of Preston, Ida., has been presented a silver service medal by the Home of New York in recognition of some 25 years' representation.

Pacific Coast headquarters of the Rochester American and allied companies, of which George O. Hoadley is manager, were moved from the Mills building in San Francisco to the old National Surety building, corner of Pine and Sansome streets. The building has been thoroughly renovated.

D. Whitman Dambly, 72, secretary of the Perkiomen Valley Mutual Fire, died at his home in Skippack, Pa. He had been ill several days with a cold. Mr. Dambly was chairman of the publicity committee of the annual convention of the National Association of Mutual Insurance Companies.

## MOTOR INSURANCE NEWS

### Automobile Finance Report

Views of Conference Committee Presented at Pittsburgh Convention of National Association

A reform program is needed before any progress can be made with respect to the automobile finance business, it was suggested in the report of the conference committee on financed automobile insurance, given by Chairman K. H. Bair, at the annual convention of the National Association of Insurance Agents at Pittsburgh.

The report of the committee, which has been working on this problem since the mid-year meeting of the association in Atlanta, suggested that the immediate task is for companies to provide a modern and broadened mortgage clause that will enable agents satisfactorily to handle the large amount of financed automobile business locally. "If such a clause is adopted and promulgated," the report stated, "we will have successfully cleared the first important hurdle. Along with this should go an insistence on our part that this business shall be written through bona fide agents, no matter what plan shall finally be adopted."

### Invoke Association Principle

The report dealt mainly with the so-called minor finance accounts, but called attention to the fact that many major finance accounts have been of concern to the agency force because agents have not been allowed to participate.

Frequently, it was stated, the ques-

tion of the overhead writing principle of the National association has been invoked by some state associations and local boards, and an attempt made to have it applied to all automobile finance accounts. On the other hand, companies have been standing on a special rule of the Automobile Underwriters Association which provides that a company may pay only a small overwriting commission and then to only one agent in a state. The difficulty heretofore has been to find such an agent so participating.

It was stated the recommendation of the committee at the Atlanta meeting had met some objections on the part of company representatives and the subject is still being studied in further conferences. Attention was called to the fact that a major objective was accomplished in stopping the the proposal put forth at Atlanta by the automobile conference committee. This plan was considered inimical to the agents' interest. The report noted that some agents had found success through independent financing, such as inducing local banks to enter the finance business. However, in other cases agents are unwilling to ask banks to go into the finance business for fear that banks would be lured to enter the insurance field in later years.

A troublesome factor in finding a solution, it was said, may be found where one finance organization has an edge over another, or where one insurance company can function with an expense cost lower than a competitor by reason of doing a direct business wholly outside of the agency system. It seems apparent, the report stated, that thought must be given to a parity of operating

costs all along the line in order to bring finance automobile insurance business to a solid operating basis.

### Turns Into a Stock Company

The Government Employees Insurance Association of Fort Worth, Tex., has now been taken over by the Government Employees Insurance Company. It was a reciprocal. It writes automobile insurance. The guarantee fund of \$100,000 of the reciprocal was handed back to the attorney-in-fact. The new stock company has \$150,000 capital and \$50,000 surplus. The officers and directors of the new company were officers of the attorney-in-fact or members of the advisory committee of the reciprocal.

### Louisiana Auto Manual Ready

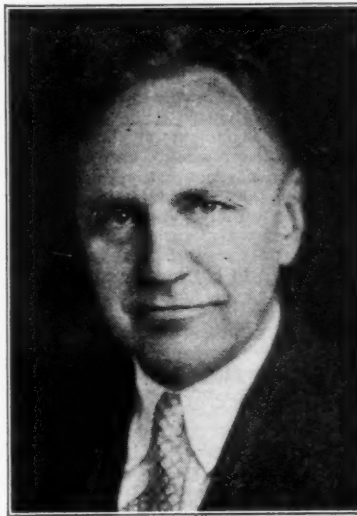
NEW ORLEANS, Sept. 30.—With several amendments, the new Louisiana automobile manual has been approved by the Louisiana insurance commission, and will be promulgated by the Louisiana Rating & Fire Prevention Bureau Oct. 1.

## Eastern States Activities

### Ralph G. Hinkley Is Manager

Business Development Office Committee in Massachusetts Organized—Full Personnel Is Listed

BOSTON, Sept. 30.—The local agents and stock company field men interested in the Business Development Office in Massachusetts have elected Ralph G.



RALPH G. HINKLEY

Hinkley, New England manager of the American, manager. The committee includes Fred R. Smith, Haverhill, chairman New England Advisory Board; Carroll K. Steele, Gloucester, president Massachusetts Association of Insurance Agents; C. Conrad Parker, Worcester; Special Agent Martin C. Cherry, New Hampshire Fire, and Special Agent George H. Eise, Northern Assurance. Mr. Hinkley is a past president of the New England Insurance Exchange.

### Rochester Agencies Merge

ROCHESTER, N. Y., Sept. 30.—Merger of the L. Walton Smith agency with the Ezra J. Boller agency is announced by Donald G. Clark, secretary of the latter firm. W. M. Smith becomes an executive of the Boller company under the merger. Officers will be maintained in the Granite building.

### Insurance School at Newark

The Automobile Association of New Jersey, with headquarters in Newark,

has opened a school of general insurance including life, automobile, fire and casualty. The school will be conducted by Vaughn V. Moore, agency sales manager for the automobile association, Atlantic Casualty of Newark and Bankers National Life of Montclair. Mr. Moore has been in the general insurance field for a number of years.

G. W. Root, veteran local agent of Ellicottville, a Buffalo suburb, died at the age of 71.

## CANADIAN

### Competition Is Keen

Competition of non-tariff fire companies in Canada has grown so in recent years that these institutions now write approximately one-half the total premiums. While a number of organization offices favor sharp tariff revisions to meet the situation, they are stalked by refusal of other companies controlling much desirable business through financial connections to sanction such effort. Complaint too is heard of the lack of action on the part of the Dominion Association of Underwriters, which at the Lake Placid conference four months ago favored agency separation in principle, but has made no move to carry out this or other desirable reforms as yet.

### License Fees Increased

HAMILTON, ONT., Sept. 30.—Fees for license of agents here and elsewhere in Ontario are being raised sharply this month. Here a license will cost \$25, with smaller community fees ranging down to \$15. Previously these licenses have sold for \$3. Many agents complained of unfair competition on the part of side line and part time insurance agents, the department said, in announcing the higher fees.

## MARINE NEWS

### A. H. Derbyshire Is Advanced

Chicago Man Placed at Head of America Fore Inland Marine Department Succeeding Barthelmes

Arthur H. Derbyshire, who has been manager of the inland marine department for the America Fore in the western department at Chicago about seven years, has now been placed in charge of the same department at the head office. He takes the place of A. W. Barthelmes, who went with the National Union as marine secretary.

J. Homer Donica, who has been a special agent for the group, has been appointed assistant inland marine manager at the head office. He is a son of the late J. F. Donica, who was for many years secretary of the America Fore in Chicago. He attended West Point and is a graduate of Northwestern University.

Mr. Derbyshire started with the America Fore 33 years ago in Chicago as an office boy. He has had experience in practically all lines of fire and allied business.

### Opens Cleveland Office

NEW YORK, Sept. 30.—Newhouse & Sayre, general agents in the United States and Canada for the all risks lines of the Home and its affiliated companies, will open a service office at Cleveland, Oct. 1, with T. O. Badger, formerly of this city, in charge. In addition to its chief office here, Newhouse & Sayre already has service branches in Philadelphia, Chicago, Los Angeles and San Francisco.

## WINGETT NEW PENNSYLVANIA HEAD

(CONTINUED FROM PAGE 4)

sioner Owen B. Hunt, of Pennsylvania, and Kenneth H. Bair and W. Owen Wilson, president and chairman of executive committee of the National Association, spoke briefly and informally. In addition, a number of committee reports were heard.

Mr. Hunt took a thinly-veiled dig at Col. Frank Knox, stating that while "prominent persons" like to say insurance is unsafe, departmental examinations show that insurance companies have doubled or tripled the volume of their investment portfolios in the past year.

Commissioner Hunt's remarks were concerned mainly with his campaign against unlicensed insurance companies and agents. He reported 57 convictions during the past year, including one case in which the culprit was forced to return premiums he had collected. Last year Mr. Hunt spoke over every radio chain in the state, exhorting the public to buy insurance only from licensed agents and in licensed companies. As a result of his appeals for the public to inquire when in doubt, his office now receives several hundred letters a day on this subject, he declared. He plans to renew his radio appeals during the winter months. Public education, he maintained, is the only solution of this problem.

### Increase in Members

F. D. Moses, of Harrisburg, secretary-manager, reported an increase in membership of 95, in spite of the death of Paul Ancona of Reading, vice-president and chairman of the membership committee and the floods of last spring, which paralyzed 46 counties from which some of the best results were hoped. The Pennsylvania association showed a 22 percent increase, as compared with a country-wide gain of 9 percent. He also reported that former members have been attending regional meetings and may have reinstated themselves. Dues collections are up 59 percent over last year.

President Henry spoke very briefly, commenting on the death of Mr. Ancona and welcoming the members to Pittsburgh.

An encouraging financial report was given by Treasurer E. D. Thomas of Scranton. All expenses incurred during the previous year have been paid. While the association still shows a deficit, this is from previous years. A number of back overdue accounts have been paid off.

### Public Relations Report

Considerable interest was shown in the report of A. S. Galland of Wilkes-Barre, chairman of the public relations committee. This was a special committee appointed last year at the Pocono Manor meeting. He gave a detailed report of the complaints his committee had heard during the year and the action. In the case of companies banding together to collect balances, the committee decided this action was justified. The matter of a local board secretary writing a large line in an unaffiliated carrier at cut rates was taken up with the companies represented by him. Much time has been devoted to the question of unlicensed non-resident brokers, which resulted in Commissioner Hunt reiterating that the responsibility of determining whether an outside broker is licensed rests upon the countersigning agent.

Progress was reported in agency qualification requirements. The new questionnaire announced by Mr. Joseph came as a result of these negotiations. Insurance on financed automobiles and publicity on first-time agency appointments are now before the committee.

C. T. Monk of Philadelphia, chairman of the resolutions committee, offered two resolutions, which were adopted. One was of sympathy to the family of Paul Ancona and the other was to refer the complaint of Johnson & Harder, Pittsburgh agents, against the Massachusetts

Bonding, to the grievance committee of the National association, on the ground that it involved matter of national policy.

A resolution was made from the floor that a vote of appreciation be given A. S. Arnold of Philadelphia, counsel of the Pennsylvania association, for his legal assistance. It was adopted unanimously.

W. Ray Thomas, head of Logue Bros. and former employe of the retiring president, J. W. Henry, presented him an engrossed testimonial and jackknife portmanteau from the state body. Mr. Henry served for two years.

New directors of the association are: John F. Morgan, Lewistown, Ralph H. Alexander, Pittsburgh, Jos. W. Barr, Oil City, John H. Sprecker, Lebanon, D. F. Ancona, Jr., Reading, S. W. Miller, Washington, Howard H. Kenney, Philadelphia, C. C. Kohne, Pittsburgh, Glenn H. Lindquist, Tarentum, Quincy A. McBride, New Castle, John C. McCarthy, Pittsburgh, Wm. C. McCornick, Williamsport, Norman B. McCulloch, Lancaster, I. D. McQuiston, Erie, Charles T. Monk, Philadelphia, W. L. Nicholson, Altoona, John K. Payne, Philadelphia, Henry Schmid, Wilkes-Barre, W. Ray Thomas, Pittsburgh, B. F. Evans, Norristown.

The past presidents' council consists of: K. H. Bair, Greensburg, A. S. Galland, Wilkes-Barre, J. P. Lavelle, Scranton, W. E. McKelvey, Pittsburgh, J. W. Henry, Pittsburgh.

## Branch Office Is Important Issue

(CONTINUED FROM PAGE 5)

conditions may differ throughout the country and any attempt at national regulation should be subject to local modification. Though no final agreement was produced from the conference, it was understood that company representatives would consider ways and means of cooperating with agents in an attempt to reach a solution.

Support was given, however, to a program which would encourage the formation of properly constituted local boards where such do not now exist, and with strengthening of existing local boards, where necessary. The conference committee insisted that "through this means and through company agreement, payment of commissions to solicitors, office agents and producers of all kinds, in either branch offices or general agencies, should be restricted to the prevailing brokerage; that the furnishing to them of office space, telephone, telegraphic and clerical services, and all other like expenses, either be eliminated from branch offices or reconciled with the local corresponding expenses allowed to general agents."

### Another Step Proposed

As another stabilizing step, the committee insisted that the number of solicitors, local agents or office agents appointed by company branch offices or general agents should not exceed the number allowed by local board rules, thus equalizing all factors entering into production cost. In determining whether a local board is properly organized and has reasonable rules, the committee suggested that this be handled through a joint committee of the acquisition and field supervision cost conferences and the National association.

Several major obstacles, however, developed from both the New York conference and the subsequent conference with the Insurance Executives Association. One problem was the inability or unwillingness of companies to segregate branch office expenses as to home office and production functions. Another was the fear of competition from non-board

companies, although, the report stated, the conference committee "believed it was in position to shoulder that burden." A further question was the setting up of a joint committee for settlement of controversies, with sufficient authority to make it effective and, at the same time, not interfere with what companies believed to be their individual rights.

Exception was taken to the claims made in both conferences that branch office expense in many cases was lower than agency expense. While this may be true in isolated cases, the report stated "they are exceptions which prove the rule that managerial salaries, plus agency commission and overhead expenses, must exceed agency commission alone." The report cited a case in Massachusetts where a general agent, on a 30 percent commission with 9 percent operating cost, leaving net commission of 21 percent, was forced to compete with a company branch office which pays brokers, who do not even write their policies, net commission of 30 percent.

Members of the committee, in addition to Chairman Bair, were W. O. Wilson, newly elected president of the association; Eugene Battles, Los Angeles; W. E. Harrington, Atlanta, and Allan I. Wolff, Chicago.

## Security Is Now the Real Factor

(CONTINUED FROM PAGE 5)

would permit. He pointed out that in abandoning this contract the mutuals are publishing the fact that the assessment feature had little practical value and that they no longer have the "hidden" asset which they formerly claimed when assessable policies were issued. More widespread adoption of the non-assessable form will simply serve to give stock company agents greater opportunity to drive home the story of security.

Mr. Dauwalter quoted from a brochure prepared by a mutual group, in which it was contended that the record of fire companies in several major conflagrations in the United States was greatly in favor of the mutuals. The brochure set forth that 130 stock companies either failed or remained in business only by discounting claims from 5 cents to 60 cents on the dollar and, on the other hand, stated that every mutual paid its claims in full with one exception.

### Record Is Cited

Checking into the record of the San Francisco fire, Mr. Dauwalter discovered that the insurance loss of more than \$225,000,000 was borne almost entirely by 221 stock companies. Although some of these were unable to pay claims in full and a few discounted claims as much as 35 percent, the vast majority made discounts of only 2 percent, to which they were entitled for cash payment. Furthermore, stockholders in the 12 months following the fire raised new capital amounting to \$10,947,300 and new surplus amounting to \$17,624,288, to make good their obligations and place their companies in a solvent position. On the other hand, he declared, "there isn't a case on record where any mutual of all the mutual companies in existence have ever raised even a substantial fraction of this sum by way of the assessment route."

Only 13 mutuals were involved in the San Francisco fire, total claims amounting to \$71,176 out of the total insurance loss of \$225,000,000. Only eight mutuals paid their claims in full, amounting to \$29,615; two discounted claims, amounting to \$26,250, 10 and 15 percent, while two others, involved for \$10,000, paid nothing at all. Such a record, he said, would not be impressive if the true facts were called to the attention of policyholders.

"It is our mission," he concluded, "as

stock company representatives to make these facts known, to sell security and stability which stock company insurance represents. If we fulfill that mission, we have no apology to make nor need we fear that security would eventually succumb to price."

## Suggestions Are Sought on Change

(CONTINUED FROM PAGE 4)

sociation having the largest number of members registered at the convention.

C. F. Liscomb of Duluth was appointed chairman of the committee to award the Detroit cup, that being given to the state association showing the greatest combined mileage of members attending.

The legislative report was presented by W. T. Reed, Jr., of the Washington service office of the National association.

St. Paul and Dallas are both seeking the annual convention for next year. Omaha and Jackson, Miss., are contestants for the next mid-year meeting. Indianapolis is putting in its bid for the 1938 convention and New Orleans wants the annual convention in 1939, it being the twenty-fifth anniversary of the New Orleans Insurance Exchange.

At the executive committee meeting, the recent decision of the Georgia supreme court in the Hartford Steam Boiler case was discussed. This upheld the state insurance department in refusing to license a salaried employe of a stock company. It was stated the company intends to appeal to the U. S. Supreme court.

Former President R. W. Forshay of the Iowa association presented to the committee the suggestion of the farm conference held after the Iowa annual meeting that the National and state associations give more attention to farm and rural agents and perhaps organize separate sections. Rosse Case of Marion, Kan., dean of the farm agents, appeared as an advocate of the farm agents' cause. The drawback seems to be the recommendation that dues for this group be less than the present minimum. It was decided to appoint a committee consisting of C. F. Liscomb, Duluth, chairman; F. T. Priest, Wichita and A. B. Dunbar, Omaha to study the farm situation.

## Personal Observations at New Jersey Agents Meet

(CONTINUED FROM PAGE 15)

the usual "nothing to say," but by the time he had finished talking he had told why some insurance rates had been reduced in certain classifications. He is always an interesting talker and full of good information.

The American of Newark group, North America, Pearl and National Surety kept open house for their friends and guests during the two-day meeting at the Hotel Ambassador.

Frank B. Heller must be a good dancer for during the banquet he was seen quite frequently on the floor, each time with a different partner.

There was an unusually large attendance of company officials. This was due in part to the fact that there had been several insurance meetings prior to the New Jersey meeting and the officials remained over.

Robert Moore, special agent Firemen's Fund group, was one of the few who ventured into the ocean Friday morning when the air was frosty.

John L. Martin, manager Newark branch office Standard Accident, was there with the fancy steps on the dancing floor.

Commissioner Carl K. Withers received hearty applause both before he started to speak and after he had finished at the luncheon gathering.

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DRIVERS AS SOME  
OF THEIRS DO ME?"

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OUT FRONT AND SEE"

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# The NATIONAL UNDERWRITER

October 1, 1936

CASUALTY AND SURETY SECTION

Page Twenty-seven

## All Hands Endorse Carpenter Filing

Hearing on New Pacific Mutual Life Reorganization Plan Set for Oct. 19

### DIFFERENCES RECONCILED

Provisions for Mutualization and for Making Good Deficiencies to Non-Can People Are Revised

The revised plan for rehabilitation of Pacific Mutual Life, which embodies most of the features of the first plan, with certain modifications, has now been submitted to Superior Judge Willis at Los Angeles by Commissioner Carpenter of California. The court has set the hearing on this petition for the morning of Oct. 19. All of those with a capital interest in the situation have endorsed the new plan.

Mr. Carpenter avers that the agreement insures the continuance of the business by the new company on a permanent and sound basis. It establishes the right of the policyholders of the old company, he declared, with respect to the new company.

#### Hope for Reimbursement

The non-can policies, under the new plan, are subject to the same scaling down as under the first plan but holders of such policies, according to Mr. Carpenter, are offered a workable plan under which full restoration is possible. Claims already allowed will continue to be paid in full.

Under the new plan, profits from the non-participating, accident and sickness department will go into a surplus which, together with 10 percent of the profits of the participating business of the old company, will be available to make good the shortages in the non-can reserve until such shortages are fully made up and benefits under such policies fully restored, with interest on deferred payments of benefits at the rate of 3½ percent.

When these non-can reserves shall have been fully reestablished, stock of the new company may be distributed among the old shareholders, but subject to the policyholders' right to mutualize.

The principal differences between the new and the old plan provide, after non-can reserves are made good, stock of the new company will be distributed to shareholders of the old company subject to mutualization. Upon mutualization the new stock will be purchased, at a price to be then fixed, for retirement.

Instead of a 10-year period in which to make good the reserves of the non-can policyholders, the time element is removed and allowed to run until reserves are made whole.

In addition, 10 percent of the profits  
(CONTINUED ON PAGE 39)

## Agent As An Underwriter Is Vital to His Company

"The function of the agent as an underwriter is vital to the solvency of the company which he represents," said T. C. Foster at the annual meeting of the Vermont Agents Association at Fairlee. Mr. Foster is in the automobile department of the home office of Hartford Accident & Indemnity.

"During the early days of casualty business and particularly up to within the past few years," he said, "trial and error" was of necessity the prevailing practice of home office underwriters. Needless to say, under this arrangement agents gained the impression that all they had to do was to produce the business and the company would take care of itself. That attitude survives today in the agent who submits an extra hazardous risk to his company with the thought, 'If they accept it, that lets me out.' The necessity for the methodical underwriting of risks is now quite generally recognized. With this understanding comes the realization that the most effective point to underwrite most casualty lines is in the agent's office.

#### Definition Is Given

"Dictionaries define the word agent as 'one who acts for another; a steward; a deputy.' Under the circumstances, an insurance company, trying to do a legitimate business, must select good businessmen for its representatives. They must be men who appreciate the responsibility they assume as agents when they undertake the representation of a company that is honestly carrying out its obligations to the public at large. An agent thus qualified will not place his company on lines carrying an abnormal element of risk. To secure satisfactory results, however, it is necessary that the agent possess a sufficiently detailed knowledge of the whole problem to enable him to intelligently discharge his obligations, not only to his company, but to his clients as well.

"For the reason that automobile liability coverage, presents such a serious problem to the companies today, and as it is one of the lines an agent can underwrite more effectively than any other person connected with the transaction, I will use this class of risk as an example and outline briefly a few of the points he should consider in his underwriting:

"That most risks represent the driving hazard of more than one individual; the length of time he has known the assured and all other persons likely to drive; the age, occupation, and relationship of all such drivers; whether any drivers are physically or mentally unsound; whether any similar insurance has been declined or canceled for any person under consideration; whether drinking to excess or the use of narcotics is involved.

"The driving history of all operators, respecting court record, traffic violations, suspension or cancellation of license or registration; accident history; adverse moral history; physical condition of automobile. If a commercial vehicle: purpose for which it is used, territory principally covered; operations radius.

"The necessity for these considerations are apparent. Additional elements necessary to be underwritten are introduced by extending normal policy coverage to meet the demands created by changing conditions. With the passage of financial responsibility laws quite generally, 'drive other cars—broad form' protection has become fairly common. The ability of all drivers under consideration to operate any other motor vehicle, including trucks, should be weighed by the agent. 'Non-ownership liability' for firms having employees whose usual duties involve the use of their personally owned motor vehicles in the business of their employer, presents another underwriting angle.

"Justification for the commission you expect to receive, should prompt you to give your clients the conscientious counsel and advice that you expect to receive when you consult men in other professions. Your calling is a profession, when treated as such. Your future, is very definitely in your own hands. Following the lines of least resistance cannot go on indefinitely for an individual or group of individuals. A continuation of the American agency system is dependent upon your ability to represent companies operating on a sound basis. Without your cooperation in a judicious selection of risks with a full realization of your responsibilities, both to your clients and your company, no company can operate on a sound basis, and consequently the agent as an underwriter is an essential factor."

## Jos. Futz' Friends to Give Insurance Shower

EIGHTY-FOUR, PA., Sept. 30.

—Mrs. Fritzie Futz, wife of the energetic local insurance agent, Jos. Futz, who is looking after his business while he is attending the great insurance convention in Pittsburgh this week, conceived the idea of inviting policyholders to their residence Saturday evening to welcome Joe home and surprising him. The alert Jos. with his ear to the ground smelled a rat and in order to give zest and eclat to the occasion will have it made an insurance shower. To anyone who will bring an order where the premium is \$7.50 up to \$10, Joe will give a set of 12 cards showing interesting features of Pittsburgh. To anyone bringing an order above \$10, he will give in addition a two pound box of mixed caramels. To all agents he will present a postal card showing the luxurious William Penn Hotel where he is stopping in a suite with a combined living and bed room, bath room, large closet and humidor. Rev. Hupp will act as master of ceremonies. Mr. Futz will speak on "Behind the Scenes at the Pittsburgh Convention."

## Opinion Favoring Experience Rating

Report on Retrospective Plan at Pittsburgh Meeting of Local Agents

### RESULTS OF THE STUDY

W. O. Wilson Presents Views of the Committee; Majority Approve the Proposal

PITTSBURGH, Sept. 30.—Opinion appears to be unanimous that any rating plan for workmen's compensation insurance should be based on experience rating, and the primary objective of all companies, both stock and mutual, is decrease in accident frequency. This encouraging factor was noted in a report on the retrospective rating plan, given by W. Owen Wilson, chairman executive committee, at the annual convention of the National Association of Insurance Agents here.

Although the retrospective plan has not as yet been approved by all the state members of the National association, the report stated that further study is expected to develop a satisfactory agreement. The preliminary report on the plan was given at the mid-year meeting at Atlanta, but because of the fact that many delegates were hesitant in approving it without further study, it was decided to submit the plan to the various state associations for a vote. Subsequently, the necessary material was sent by National association officers to state association presidents, with ballots given to each member of the various governing committees. Although the vote showed a majority in favor of the plan, a substantial number of unfavorable votes were cast. Of 44 states voting, 19 were unanimously in favor of the plan and eight unanimously opposed. Of 17 states in which voting was divided, the majority vote in 10 was in favor of the plan, majority in six was in opposition and one state cast a tie vote.

#### New Angle Develops

The report called attention to one development that has come out since the Atlanta meeting, notwithstanding the fact that the special compensation committee at that time understood that the retrospective plan would not be extended to other lines than workmen's compensation. The automobile department of the National Bureau of Casualty & Surety Underwriters, effective May 11, gave approval in equity to a retrospective plan on public liability and property damage, applicable to fleet risks.

It was also pointed out that the retrospective plan has been ruled illegal in Texas by the attorney-general of that

(CONTINUED ON PAGE 34)

## Cites Factors Necessary in Writing Noncancel A. & H. Cover

### MONARCH PRESIDENT'S TALK

#### C. W. Young Tells Agents Convention Safety, Soundness Are Primary Considerations

Success in writing non-cancellable accident and health insurance is attributable not alone to the form of benefits offered, Clyde W. Young, president Monarch Life, stated at the company's agency convention held in Washington, D. C., but also to a number of other vitally important factors.

These are: Careful selection and thorough training of agents, concentration on full time agents, with no brokerage business; limitation of coverage to \$50 a week and conservative relation to earnings, with avoidance of top-heavy risks; avoidance of unprofitable territories, conservatively progressive underwriting practices, friendly consideration and fair dealing with agents and policyholders, adherence to every rule of correct and ethical practice, readiness and willingness to develop new ideas and adopt new methods to meet rapidly changing times and conditions, avoidance of policies with clauses so ambiguous as to prove a breeder of dissatisfaction and lawsuits, unquestioned financial standing, and good will accruing from long, successful experience in the field.

#### Cites Necessary Provisions

The Monarch has been outstanding in writing non-cancellable A. & H. insurance, Mr. Young said, and an important reason is that it has retained the fundamental nature of the coverage and avoided sale of policies on which maximum liability is unknown. Waiting period, reduction in benefits at age 60 and increase in premium at age 70 are not experiments. These provisions constitute a reasonable safety valve or check both in premiums paid by assured and in claims and reserves to be met by the companies. They benefit both assured and company.

"In any form of insurance," Mr. Young said, "the best policy for the assured and the company is a policy in which a give-and-take consideration rules the participants. There is a mutuality of interest in the transaction of non-cancellable business. The three parties—policyholder, company and agent—stand to benefit from this form of coverage. The policyholder has guaranteed protection. The company benefits from easier salability and greater good will. The agent benefits from easier salability and greater stability of income. These benefits carry with them compensating responsibilities.

#### Three-way Responsibility

"The policyholder must be reasonable in his demands and uphold his obligations under the contract. He must recognize that avarice or unfairness will place a tax in the final analysis upon himself and other assured. The company must treat its policyholders with utmost fairness, maintain its financial resources and its reserves with integrity, and preserve its good will in all of its dealings. The agent must recognize that he is a part of the common structure, that upon the competence and sincerity which he displays rests the ability of the company to offer non-cancellable accident and health insurance.

#### Soundness Primary Consideration

"To these three groups of individuals, as well as to the entire institution of insurance, we have a solemn obligation which means that we must place absolute safety and soundness above rapid growth, quick profits, or any other consideration. Experience shows that

(CONTINUED ON LAST PAGE)

## Ad Men's Head



ARTHUR A. FISK

Arthur A. Fisk, advertising manager of the Prudential, is now the president of the Insurance Advertising Conference. He succeeds Clarence A. Palmer of the North America. Prior to going with the Prudential Mr. Fisk was a reporter on the New York "World." He is chairman of the insurance group of the Association of National Advertisers.

## Hold First Parley in the N. Y. Bond Production Drive

NEW YORK, Sept. 30.—The first sales conference of the New York fidelity bond production campaign was held this morning. The conference was opened by Martin W. Lewis, assistant manager Towner Bureau and chairman of the conference. The chairman for the day was J. B. Duke, resident vice-president New Amsterdam Casualty, and chairman Surety Managers Club which in sponsoring the conferences. About 500 attended.

The introductory remarks on "Fidelity Bonds Are Vital" were made by A. G. Oakley, vice-president United States Fidelity & Guaranty.

Hale Anderson, executive vice-president Fidelity & Casualty, delivered a brief address on "Joint Effort to Popularize Fidelity Bonds."

H. W. Schaefer, president H. W. Schaefer Company, presented the broker's viewpoint; while H. H. Weinstock, auditor, the New York Times Company, presented the buyer's viewpoint.

E. A. St. John, vice-president National Surety, discussed the "Joint Plan to Develop Fidelity Bonds," and John S. Turn, vice-president Aetna Casualty, gave the summation.

### I. C. C. Filing Requirements

Insurance companies have now been notified by the Interstate Commerce Commission that they must file a copy of their licenses in all states in which policies will be issued covering operations of motor carriers that are subject to the 1935 federal motor carrier act. These documents must be filed prior to Oct. 20. Some insurance people have expressed distress at this requirement, saying that it will mean heavy expense and would cause considerable delay. It is also regarded as unnecessary by the insurance people.

The I. C. C. has furnished the companies with copies of the forms that will be required in writing the business. Forms B. M. C., 33, 34 and 35 must be identical with the specimen copies furnished by the I. C. C. Forms B. M. C. 31 and 32 may be printed on any weight and color paper.

Motor carriers are required under the act to file certificates of insurance not later than Nov. 15.

## Florida Commissioner in Compensation Rate Action

### DENIES INCREASE REQUESTED

#### Loss Constant Plan, Experience Rating Approved; Recommends Commission Reduction

TALLAHASSEE, FLA., Sept. 30.—In denying application of carriers for 24.7 percent rate increase on workmen's compensation Commissioner Knott said 117 fatal accidents in a year is appalling, that while losses in the first half of the first year of the law were well over the 60 percent set for losses, those of the last half were worse. Losses have been so heavy that most if not all carriers may be forced out of business in Florida and employers compelled to become self-insurers, he said.

Commissioner Knott decided there would be no change at present in the rate basis. He said one year's experience is not sufficient to warrant a change in rate level, but that at least two years' experience was required. He approved a "loss constant" of \$12 per policy per year to take care of full benefits in case of death even though there be no dependents, retroactive to July 1, 1936. The law originally exempted benefits where there be no dependents, but the supreme court held this to be illegal as a discrimination.

#### Recommendations Are Made

He recommended reduction from 17½ to 15 percent in commissions to agents. A levy of 2 percent on all premiums received in the state will be made for safety work of the enforcing commission; experience rating was made effective as of July 1, 1936.

The commissioner recalled approval of the original rates effective with the law going into effect July 1, 1935, which rates he said were based on experience in the nearby five states.

Proposal of the Florida Insurance Agents Association, signed by L. P. M'Cord, president, and Hunter Brown, chairman compensation committee, is a part of the decision text, this being that the rate of commissions be reduced from 17½ to 15 percent, that the loss constant be set up, the experience rating be approved as of July 1, 1936, and that there be a general increase in rates of 3½ percent. The commissioner agreed with all but the proposed increase of rates which he did not mention specifically.

#### Presents Loss Figures

Losses under the law for a full year were listed as:

	First Half Year	Second Half Year
Medical costs, closed cases	\$169,106	\$189,086
Medical costs, open cases	39,500	61,945
Compensation payments, closed cases	105,768	76,014
Compensation payments, open cases	98,127	118,076
Total costs, fatal cases	101,239	130,653
	\$ 511,740	\$575,774
Total for full year..	\$1,087,514	

Mr. Knott is still of the opinion that a year is too short a time upon which to determine justness of rates or the question of equality of rates as between different risks. He found, however, that the greater losses were in "lower brackets" or smaller insuring units.

The decision definitely disapproves of any company or agent demanding business of an employer in order to carry his compensation.

#### Many Feel Rates Too Low

It appears evident that premium income under the present rate scale is far below actual and prospective outlay. The 27.4 percent increase asked by companies was prompted by heavy losses in the first 12 months after the law was passed early in 1935. Industries and

## Committee Ponders Reply to Rate Blast of De Celles

### "PADDING OF RESERVES" ISSUE

#### T. J. Falvey Is Chairman of Group That Is Considering Attack Made by Bay State Commissioner

NEW YORK, Sept. 30.—The managerial committee of seven, of which T. J. Falvey, president of the Massachusetts Bonding, is chairman, will determine what action will be taken in connection with the blast at casualty companies by Commissioner De Celles in promulgating new compulsory automobile liability rates in Massachusetts for 1937.

In ordering an average rate reduction of 7 per cent on passenger cars, Mr. De Celles challenged a number of practices of the companies. He charged that they have been padding reserves when presenting their loss experience.

The National Bureau of Casualty & Surety Underwriters has nothing to do with the preparation of rates in that state, these being tabulated for submission to the department by the Massachusetts Automobile Rating & Accident Prevention Bureau, of Boston, which includes in its membership a number of offices not belonging to the National Bureau. In so far as rates are prepared by the latter organization for states in which it exercises jurisdiction, the method is to receive from each company a complete record of claim payments during the year, together with a detailed statement of the reserves set aside for settlement of undetermined losses. The reserve figures for each claim are followed through. The estimates are checked with payments finally made. If, as sometimes happens, a company appears to be over reserved on the basis of its run off experience the fact is called to its attention by the bureau, which also takes cognizance of a reverse trend. As a result of this close check of the final reserves, it is understood, the experience varies less than 1 percent from the general tabulation of the bureau.

Explanation of the inference by the Massachusetts commissioner that the reserve figures used by the casualty companies in their annual reports differ more or less widely from those submitted for rating purposes is found in the fact that while figures used in statements are those of the end of the fiscal year, rating reserves are made up some months later, and include results not earlier known. Many final settlements or conditions affecting particular claims have occurred meantime.

As a rule executives of leading casualty companies are insistent in holding up their reserves, appreciating that any other course would eventually lead to serious difficulties.

business, however, strongly opposed an increase.

Agents awakened to a fact that the rates had permitted mutuals to get a great deal of fine business, and some influential agents felt it would be necessary for agents to sit in with companies to effect a rate reduction on old schedules. Hearings called by Commissioner Knott developed evidence that in the five adjoining states losses were not nearly so high as in Florida. The companies contended heavy loss can be expected for a time under a new compensation law.

The supreme court then knocked out the stipulation law that if an employee is killed and has no dependents the employer does not have to pay death benefits so great as in case of dependents, this action bolstering the carriers' position. To take care of it the department allowed the "loss constant" of \$12 a year.

## Globe Indemnity in Big Celebration

Tribute Paid President A. Duncan Reid at 25th Anniversary Gathering

### MANY NOTABLES ATTEND

Pink, Simpson, O'Neill, Bair, Wilson and Several Company Executives on the Program

High and deserved tribute was paid A. Duncan Reid, president Globe Indemnity, at the banquet at the Westchester Country Club, Rye, N. Y., concluding a three days' gathering of representatives from all parts of the country, held in celebration of the 25th anniversary of the Globe.

Features of the evening were addresses of J. Dyer Simpson, joint general manager of the Royal-Liverpool group at the home office, and of Mr. Reid. Others who spoke briefly were: Thatcher M. Brown, chairman of the Globe Indemnity; Superintendent Pink of New York; D. W. Pierce, of Los Angeles, an executive of the Royal-Liverpool companies, and W. Eugene Harrington, Atlanta, general agent Globe Indemnity. Harold Warner, United States manager Royal-Liverpool group, proved an excellent toastmaster.

#### Many Pay Tribute

Messages of congratulation to Mr. Reid on the success achieved by the Globe Indemnity and for his substantial contribution to the upbuilding of casualty and surety underwriting as a whole, included the home office executives of the Liverpool, London & Globe; Paul Rutherford, vice-president Hartford Accident & Indemnity; J. A. Diekmann, vice-president Indemnity of North America; F. Robertson Jones, secretary Association of Casualty & Surety Executives; F. J. O'Neill, president Royal Indemnity; the Chicago Insurance Agents; K. H. Bair, president and W. Owen Wilson, chairman executive committee of the National Association of Insurance Agents; C. B. Morcom, vice-president Aetna Casualty; J. Arthur Nelson, president New Amsterdam Casualty; Arthur F. Lafrentz, president American Surety; J. S. Phillips, chairman Great American Indemnity and E. J. Bond, vice-president Maryland Casualty.

The year 1911, Mr. Pink stated, was a memorable one, marking as it did the entry into the casualty underwriting arena of both the Globe Indemnity and of the now closely related Royal Indemnity. Both are present members of the Royal-Liverpool group, one of the great insurance organizations of the world.

#### Simpson Gives Address

Mr. Simpson, who had been visiting in this country and Canada for some time, delayed his departure for home to attend the banquet, bringing greetings from the executives at headquarters, and voices the confidence held by them in the administration of Mr. Reid, who, he averred, conformed to the highest ethics of the casualty business. Mr. Pierce offered several excellent suggestions as to how effectively to meet competition in business soliciting, while "Gene" Harrington told why he had selected the Globe Indemnity for representation in his territory. Every mention of the name of Mr. Reid evoked hearty applause from the more than 300 agents and guests in the banquet hall, while a

(CONTINUED ON LAST PAGE)

## U. S. F. & G. Ends Its Series of Three Sales Conferences

### CONFER IN SEVERAL CITIES

Bland, Fitzpatrick, Lee Head Delegation from Head Office at Parleys on Fidelity, Surety, Burglary

The last of three district sales congresses for managers, district supervisors and direct reporting agents was held in Chicago this week by the United States Fidelity & Guaranty. Previously, such sessions had been held for three days each at Baltimore and Atlanta. Each of the meetings was attended by about 75.

Those from the head office at Chicago were R. Howard Bland, chairman; C. J. Fitzpatrick, vice-president and secretary; Philip F. Lee, vice-president and agency director, and J. Dillard Hall and O. R. Leeds, assistant agency directors.

#### Bland Tells Progress

Mr. Bland, at each of the meetings, in giving a welcoming address, related the progress of the U. S. F. & G. during the first eight months of this year. The net income before reserves for the eight month period this year was \$3,600,000 as compared with \$1,600,000 during the same period as 1935. The premium volume is substantially higher and surplus has increased since Dec. 31, 1935, by more than \$2,000,000. This is one of the best years the company has ever enjoyed, according to Mr. Bland.

Emphasis in the sales meetings was placed on fidelity, surety and burglary lines—business that is susceptible to development and in connection with which constructive sales efforts may be profitably employed. The premiums on these three lines for the eight months increased by about \$1,250,000, it was reported.

#### McBryan Is Toastmaster

The veteran Detroit manager, W. H. McBryan, whose 35th anniversary with U. S. F. & G. is to be celebrated in Detroit Thursday evening of this week with a testimonial dinner, was toastmaster at the banquet Monday evening in Chicago. He presided in somewhat whimsical style and caused much merriment by asking some serious questions about the business, calling upon some of those at the table to rise and answer. After they had given their replies and were expecting a word of approbation, Mr. McBryan remarked dryly: "I really wasn't seeking enlightenment this evening." Others who were called upon at the banquet were Mr. Fitzpatrick, Mr. Bland, Mr. Lee, John Messick, R. A. Foster, Indianapolis managers; M. P. Moriarty, Des Moines manager; George Goetz, Milwaukee manager; C. A. Robertson, Kansas City special agent; K. D. Metzger, Cleveland manager.

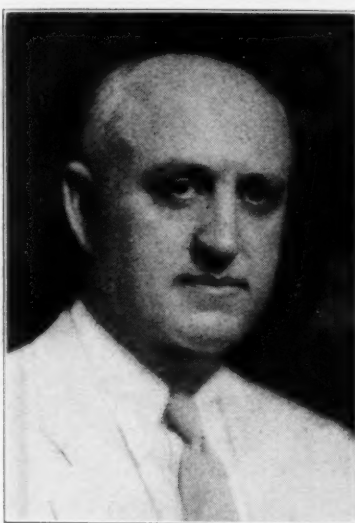
At one of the sessions, W. O. Schilling, Chicago manager, conducted a forum on developing fidelity business. Various angles were discussed by W. F. Wind, city supervisor St. Louis; Walter Lane, city supervisor in Chicago, and J. Dillard Hall.

R. F. Phillips, city supervisor at Milwaukee, and M. E. Dudley, Chicago city supervisor, gave papers on bank business. Public official bonds were discussed by K. R. Henthorn, field superintendent at Indianapolis.

#### Safety Week in New Jersey

NEWARK, Sept. 30.—This is safety week in New Jersey. Some 300 large posters along the highways called attention of motorists of the campaign and the daily loss of lives and money by automobile crashes. Gov. Harold G. Hoffman opened the week with an address over the radio.

## Iowa Commissioner Will Address Casualty Meet



RAY MURPHY

Ray Murphy, Iowa insurance commissioner, who has just retired as national commander of the American Legion, has definitely decided to attend the casualty convention at White Sulphur Springs next week.

John Hall, head of the safety division of the National Bureau of Casualty & Surety Underwriters, spent last week at the Cleveland convention of the Legion and arranged for Mr. Murphy's attendance at White Sulphur.

## Wait for N. Y. Department to Pass on Robbery Rates

NEW YORK, Sept. 30.—A general revision of rates for the different forms of robbery and burglary covers, recently completed by the burglary department of the National Bureau of Casualty & Surety Underwriters is being studied by experts of the New York department. The decision will probably be made known within a short time. As a considerable period has elapsed since the rates now in force were promulgated underwriters appreciated that a complete overhauling of the loss experience was in order, and the work has been thoroughly done. Contrary to the prevailing belief the over-all experience on mercantile open stock risks has not been bad; and the understanding is that while under the latest revision there will be a number of changes in classifications of such risks, there will be no increase in the over-all rate level.

#### Nebraska Truck Cover Hearing

LINCOLN, NEB., Sept. 30.—Insurance company representatives have received notice from the state railway commission that if they attend the Oct. 21 hearing, when coverage for trucks will be discussed, they come prepared to discuss these subjects: Filing of policies or evidence of self-insurance before issuance of certificates of convenience and necessity; proper limits of policies; requirements of policies; definitions of truck, trailer, tractor and semi-trailer; amount of capital and surplus required from companies writing the business, with provision that they must be licensed in Nebraska, and proper cancellation period.

#### Speed Limit Reduces Accidents

ST. LOUIS, Sept. 30.—A 30-day trial limiting speed to 30 miles an hour in St. Louis has proved successful, as accidents have been reduced 17 percent and traffic injuries reduced 21 percent. The trial will be continued until Jan. 1.

## Plate Glass Rate Warfare Imminent

National Casualty Bureau Relinquishes Matter to Companies in Cook County, Ill.

### ALL CARRIERS CONFER

Competition of 50-50 Contract Is Bone of Contention in City of Its Origin

Chicago has been thrown wide open to plate glass rate competition by action of the executive committee of the National Bureau of Casualty & Surety Underwriters in relinquishing jurisdiction over plate glass insurance rates in Cook county, Ill., effective immediately.

The notice to company members writing the coverage in Cook county advises that they are free to use their own judgment in that territory as to rates to charge for plate glass insurance on risks or parts of risks.

#### Interpretation of Action

Apparently this notice also makes permissible to member companies the writing of the 50-50 policy although that form is not recognized by the National Bureau and the notice does not specifically authorize writing it. Some ten National Bureau companies and practically all the non-bureau companies operating in Chicago and Cook county have been writing 50-50 there.

Experience on the 50-50 contract on the whole has been good, one company having a large volume of 50-50 showing only about 30 per-cent loss ratio on all its Cook county plate glass business. Plate glass experience generally in Cook county is not satisfactory. A number of companies have very high loss ratios this year.

#### Seek to Stabilize Business

Virtually all companies writing plate glass in the territory held a conference Tuesday afternoon in the Chicago Board auditorium in an effort to stabilize the conditions created by the National Bureau's action. The purpose of the meeting, it was said, was to reach agreement to write full cover plate glass at manual and to confine rate competition to the 50-50 contract.

#### Many Vote for No War

A vote on a resolution at the conference Tuesday to abide strictly by manual rules and rates, leaving 50-50 open for competition, showed strong sentiment against starting a rate war, and President W. A. Coan of the Burglary Underwriters Club which sponsored the meeting, reported the vote showed that companies representing about 80 percent of the premiums in Cook county would stand firm. About 10 companies were not represented or did not vote or gave qualified votes. Some said they would adhere to old practices not found objectionable. A committee immediately became active in interviewing managers of several companies to bring them in line.

It was felt a rate war would wreck the plate glass business in Cook county, because of the high loss ratio, which is reported to average about 57 percent this year.

It was the consensus the situation was serious, especially in view of malicious breakage, which is expected to increase this winter.

There was some astonishment over the apparently precipitate action of the

(CONTINUED ON LAST PAGE)

## Consumers Cooperative Buying Movement a Peril

OWEN WILSON'S STRONG TALK

Joint Meeting of Councillors and State  
Presidents of National Association  
of Insurance Agents

PITTSBURGH, SEPT. 30.—At the joint meeting of national councillors and state presidents presided over by W. Owen Wilson, chairman of the executive committee, National Association of Insurance Agents, he called attention to the increasing wave of consumers cooperative buying sentiment. The federal government, Mr. Wilson said, had sent a commission to Sweden and other foreign countries to study the cooperative plans there. He believes that when this report is made public, undoubtedly favor will be enhanced. It was stated that this non-profit movement has been exemplified in insurance in nonstock companies.

Mr. Wilson said there are now 7,000 cooperatives in this country doing a business of over \$500,000,000. Consumers band together to buy in bulk and thus eliminate retailers. It was predicted that eventually, not only retailers, but manufacturers, wholesalers and distributors would be involved. Mr. Wilson said the movement is growing rapidly and urged state associations and local boards to appoint strong committees to deal with the subject and contact other trade organizations. A resolution dealing with the subject was referred to the resolutions committee for consideration.

### Hartford Steam Boiler's Statement

H. H. Corson of Nashville, Tenn., gave an explanation of the statement accredited to the Hartford Steam Boiler in a letter to the D. A. Fisher agency at Memphis that it could not refuse to accept reinsurance from a reciprocal. The company explains that the wording of the letter to the Fisher agency was unfortunate. Bruce Dodson, manager of reciprocals at Kansas City, conducts an agency. The Hartford Steam Boiler meant to say it was not in a position to decline business from Mr. Dodson as an agent even if he did operate reciprocals.

A special committee was appointed at the Atlanta midyear meeting of agents in Eastern Underwriters Association territory to consider a closer working agreement of eastern councillors similar to that prevailing in the central west where Geo. W. Carter of Detroit is chairman. E. J. Cole of Fall River, Mass., was chairman. The committee recommended that such a regional conference for E. U. A. territory be established. It was explained that in that jurisdiction rules and regulations may be promulgated in some states and not in others. The committee felt that a regional agency conference might do much to bring about uniformity. Mr. Cole announced that a regional organization will soon be established.

Geo. W. Scott of the National association executive staff acted as secretary at the joint meeting. F. T. Priest, chairman finance committee, reported that the budget continues to be balanced. W. T. Reed, Jr., head of the Washington, D. C. office, presented the legislative report. Mr. Wilson said that much has been accomplished through the Washington office but, said he, there are still acute conditions there.

### George W. Carter's Report

Geo. W. Carter of Detroit reported for the midwest councillors, saying that at the breakfast conference, all as individuals had expressed disapproval of the retrospective rating plan for compensation insurance. His group petitioned the national executive committee to seek a revision of the compensation

## Official Setup Changed in the American Casualty



H. G. EVANS

Harvey H. Shomo, president of the American Casualty is now made chairman of the board. H. G. Evans, vice-president, becomes president. W. S. Dearlof, secretary and treasurer, relinquished the latter post and remains a secretary. L. S. Snyder, chief accountant, was elected treasurer.

experience rating plan by lopping off the year farthest back and adding the nine months experience of the current policy period. He said that if proper revision is made, agents will have no difficulty in holding their business and reclaiming some lost risks. The bureau, he said, had sent out a questionnaire to ascertain the views of members on the proposed revision.

## Manufacturers Casualty Chicago Branch Open House

Two officials of the Manufacturers Casualty attended the open house in Chicago this week initiating the new branch office in A-1210 Insurance Exchange. Manager R. T. Frasier was host. The out-of-town officials were Comptroller M. E. Rew and C. J. Jaixen, resident manager New York branch. The office has jurisdiction over all Illinois, and will write mainly at first automobile business, and also workmen's compensation. Later it will write burglary and plate glass, and general casualty lines. The telephone number is Wabash 3038.

Mr. Frasier formerly for some years was inland marine superintendent in the Hartford Fire's western department, and before that for five years was connected with Bartholomay-Darling Co., and for five years with Osborn & Lange. He has had 20 years' insurance experience.

### Prepare '37 Auto Rates

NEW YORK, Sept. 30.—Data upon which rates for the different lines of automobile coverage will be governed in 1937 is being compiled by the central filing agencies; National Association of Automobile Underwriters for fire, theft and collision and National Bureau of Casualty & Surety Underwriters and the mutual association for public liability and property damage. The fire company rates will be put forward early next spring, while those for the casualty lines, it is anticipated, will be published some time in November. The casualty rates for 1936 were issued Dec. 9 last year, and the ambition is to get the 1937 rates out somewhat earlier.

## Continental Casualty Opens Chicago A. & H. Sales School

SESSIONS FOR THREE DAYS

A. D. Anderson Emphasizes the Importance of Provision Under Which  
Expenses Are Paid

Home office officials of the Continental Casualty opened the first session Wednesday of the annual accident and health sales school conducted by the Chicago branch. The school will continue until Friday, sessions being held in the Insurance Exchange building, with brokers and agents of other companies, as well as those of the Continental Casualty, in attendance.

Among those on the first day's program were Norman Hoag, vice-president; Harry Glasgow, vice-president; W. E. White, superintendent of agents commercial A. & H. department, and A. D. Anderson, manager accident and health department Chicago branch. Armand Sommer, assistant to the vice-president, and A. B. Hvale of the claim department, will take part in the Thursday session.

Mr. Anderson discussed present day trends in accident and health insurance. He emphasized the present possibility for arranging for payment of expenses in addition to a guaranty of income when disabled. Under the old plan, providing only for monthly income in case of disability, he said that "fundamentally, the assured purchased this protection to put bread and butter on his table at a time he could not put it there himself, but the very purpose for which he purchased insurance was defeated by his having to pay medical expense out of the income received under his contract." These expenses not only dissipated the income from his accident policy, but actually forced a man to dig into his own pocket for the difference between the amount he received and what he had to pay out. This is all taken care of under the modern form and he declared that the peace of mind that comes from having such a contract makes a policyholder more satisfied and more loyal to the agent.

Another trend which he mentioned is that toward paying for dismemberment losses on the basis of multiples of the monthly or weekly indemnity (60 to 200 times) instead of basing them on the principal sum. This eliminates the need for purchasing a large accidental death benefit, which he said is at best but a very limited type of life insurance and can be purchased at a lower cost in the double indemnity provision offered by most life companies.

### American Motorists' Rallies

American Motorists of Chicago will hold meetings for agents in the New England, eastern and southeastern states during October. The first one will be at Syracuse. There will be a meeting in Boston, Oct. 9 for all New England agents; Oct. 26 at Richmond, Va., and Philadelphia, Oct. 29. The conferences will be conducted by head office executives and managers in the field.

### H. P. Magill Agency Moves

The Henry P. Magill & Co. agency, Chicago, formerly located at 407 South Dearborn street, is now located in the Insurance Exchange. The organization will operate as the Magill Agency, Inc., and is general agent for the Employers Mutual Casualty.

The Magill agency is an outgrowth of the Henry P. Magill organization which has been in existence more than 50 years, having been founded in 1884. The agency covers Illinois and in Chicago operates largely through brokers. L. L. Andres is in charge of the casualty department, with W. J. Wieland in charge of fire business.

## New Department Head in The American Casualty



W. EUGENE GRACE

W. Eugene Grace has been appointed manager compensation and liability department of the American Casualty. Mr. Grace has been in the insurance business for many years and has had broad experience. He served in the home office of the U. S. F. & G. and also with branch offices of that company, serving as both underwriter and casualty manager at Newark, Washington, D. C., and Memphis.

Mr. Grace is a native of Baltimore and was educated in the Baltimore City College. He entered the business with the U. S. F. & G. in 1923.

## Rights of Adjuster Now at Issue in Birmingham Case

The issue of whether an independent claim adjuster should be a licensed lawyer has been raised in action brought by a committee of the Birmingham Bar Association against J. L. Wilkey, well known independent adjuster of Birmingham.

Mr. Wilkey is fighting the case, pointing out that independent adjusters operate in every state and that he pays state and county licenses as an adjuster. He contends further that the action was brought against him for spite because of his activity in helping organize the Birmingham Anti-Racketeering Bureau whose activities have reduced damage claims by 30 percent in the city and indirectly caused the disbarment of two or three unethical lawyers. He stated further that some of the lawyers were jealous of his success and wanted to put him out of business, hoping to inherit some of his clients.

Even before the Anti-Racketeering Bureau was organized, Mr. Wilkey was active in tracking down fake damage suits. A number of industrial concerns report damage claims through his office and in this way frame-up suits are frequently ferreted out.

### Zimmerman in Towner Bureau

NEW YORK, Sept. 30.—An accession to the staff of the Towner Rating Bureau is Peter Zimmerman for the past 14 years with the New York City office of the United States Fidelity & Guaranty. He has a good knowledge of all types of fidelity and bankers blanket bonds, as well as coverages on public officials, and the different forms of indemnity required by the internal revenue department.

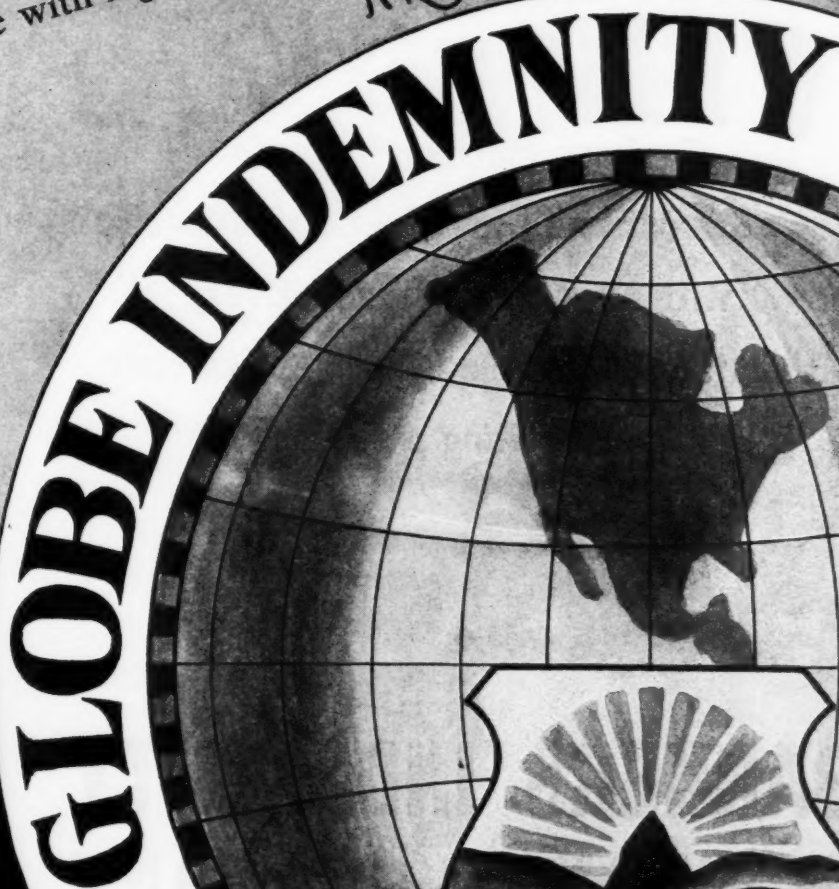
The insurance agency of the late Amos L. Belch of Columbus Grove, O., has been turned over to his widow, and his daughter, Mrs. Ruth Pierman, will act as manager.



IN this our Twenty-Fifth Anniversary, our thoughts dwell upon the friends, agents, and producers whose friendship and loyal cooperation so greatly assisted in the upbuilding of the Globe. To each of them we extend our sincere thanks. Relying upon their continued good-will we face the future with high hope and confidence.

*H. Duncan Reid*  
PRESIDENT

1911  
1936



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## WORKMEN'S COMPENSATION

### Pennsylvania Compensation Law Revision Is Advocated

HARRISBURG, PA., Sept. 30.—Following a report from A. L. Staley, head of the Bureau of Workmen's Compensation, which showed that the state ranks 33rd on the list of 48 in liberality of its workmen's compensation benefits, revision of Pennsylvania workmen's compensation law was urged by R. M. Bashore, secretary of labor ad industry.

#### Benefits Under Law

In demanding a revision, Mr. Bashore said that the primary object of the compensation system is to make the cost of industrial accidents part of the cost of the article manufactured. The report reveals that the Pennsylvania law, adopted in 1915 and amended at various times, now grants the maximum of 65 percent of the worker's pay, provided the amount does not exceed \$15 weekly. Surgeons' and physicians' bills are limited to \$100, while hospital expenses are limited to 30 days, which, the report

states, have been found far from adequate in many cases.

### Contractors Ask Refund

OKLAHOMA CITY, Sept. 30.—In a filing made with the Oklahoma Insurance Board, the Oklahoma General Contractors Association alleged that workmen's compensation rates on highway work which went into effect last February, averaged nearly 90 percent increase, while the companies had been authorized to raise them only 22 percent. It further pointed out that compensation rates in Oklahoma are from two to three times higher than neighboring states, and that the state highway department is now carrying their own workmen's compensation insurance at a cost of 20 percent of the new rate. The contractors ask that insurance companies be ordered to refund to the Oklahoma contractors the excess amount charged on work let prior to effectiveness of the new rate, upon which they had to pay the increased charge. Also that companies be ordered to refund amount which had been charged them,

on projects let since that date, in excess of the authorized 22 percent.

### No Minnesota Action

MINNEAPOLIS, MINN., Sept. 30.—The Minnesota compensation rating bureau has again laid on the table the retrospective rating proposal of the National Council. It was decided to take no action until after the next rate revision. A. H. Kleffman, secretary of the Minnesota compensation insurance board, and James F. Reynolds, general manager of the bureau, expect to be in New York about the middle of October in connection with the 1936 re-rating in Minnesota.

### Seeks Amendment of Act

LINCOLN, NEB., Sept. 30.—A movement for amendment of the workmen's compensation law to do away with the state compensation court created at the last session of the legislature, and to restore to 350 weeks instead of 325 months the paying period for death claims, has been started by C. E. Matthews, former state compensation commissioner. He charges the court is costing \$35,000 a year and doing no better work than the old system which cost but half that sum. The section covering eligibility of members of

the court was so drawn as to keep the present presiding judge, F. M. Coffey in office for life, Mr. Matthews claims. He says insurance companies were induced to support the bill by reducing death payment claims \$375 each over the period of payment.

### Baker Commissioners' Host

Compensation commissioners held a meeting in Topeka, Kan., with Commissioner Baker, Kansas, as host. A large number of company representatives were present.

Members and employees of the Oregon industrial commission are not subject to the federal income tax, Attorney-General I. H. Van Winkle has advised.

## Casualty Field Changes

### Cusick Named at Chicago

W. S. Cusick has been named assistant manager of the Chicago branch office of the Massachusetts Bonding. Mr. Cusick started his insurance career with the Travelers with which he was associated for 14 years, resigning as assistant manager to become the resident secretary of the Commercial Casualty's Pacific Coast department at San Francisco. Later he became manager of the New England department of the Home Indemnity and since 1933 has been in charge of Cook county production for the Hartford Accident, Chicago.

### Loomis Has Wider Field

H. H. Loomis, who has been branch manager for Kansas for the past three years for Mercer Casualty and National Mutual of Celina, O., has been appointed western production manager for his companies for Iowa, Kansas and Nebraska. The Mercer, which writes a general casualty line, but specializes in pleasure car automobile insurance, has developed a good business in Iowa and Kansas. The company has been entered in Nebraska for some time but has not endeavored to build a Nebraska plant. According to Mr. Loomis, this will now be done.

### Rhodes Is Advanced

KANSAS CITY, Sept. 30.—F. A. Rhodes, with the Central Surety's claim department for a year and a half, has been named general claims attorney and head of its claim division. Mr. Rhodes has been acting head of the department since the death of E. P. Steinhauer several months ago.

### Central Surety Branch Moves

The Chicago branch office of the Central Surety of Kansas City has moved into larger quarters in A-1232 Insurance Exchange. The branch was opened in January with Lloyd Conochie as manager.

### Mulvihill Operates International

A. F. Mulvihill has resigned as claims attorney and secretary of the Yellow Cab Mutual of Chicago, to take over the active management of International Adjusters, which he organized two years ago. He will also engage in the practice of law. He has served the companies for the past 20 years, having started in the claim department of the Liberty Mutual at Boston, subsequently serving as claims attorney for the Liberty Mutual at Chicago, the Hartford Accident at Boston, the Royal Indemnity and the Eagle Indemnity at Chicago and recently, the Yellow Cab Mutual at Chicago.

International has been servicing claims not only in Chicago but at all points in the United States for a number of important clients, and Mr. Mulvihill's efforts will be expended in developing the clientele.

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THEODORE L. HAFF  
*U. S. Manager*

CLARENCE T. GRAY  
*Assistant U. S. Manager*

## Opinion Favoring Experience Rating

(CONTINUED FROM PAGE 27)

state. However, the plan has now been approved by the rates committee of the National Council on Compensation Insurance, being unanimously supported by stock company members, with the mutuals declining to vote. Subsequently, a counter proposal, the so-called supplementary rating plan, was put forth by the mutuals with a request that the National Council defer action on the retrospective plan until after further study. However, C. W. Hobbs, representative of the National Association of Insurance Commissioners, voted with the stock companies against further delay.

### Adopted in Several States

The retrospective plan was first adopted in Massachusetts and stock company members of the National Council inaugurated it in eight non-regulated states on Sept. 1. They are now seeking to establish it in 22 regulated states under the council's jurisdiction, concurrently with the next revision in rates, and in any event, not later than Jan. 1, 1937. The report pointed out that apparently the conflicting views of the mutuals and stock companies as regards the plan will not likely be harmonized. The critical point lies not in the respective technical merits of the two plans, but in the gradation of expense involved in the retrospective plan. The prime purpose in any case, the report stated, is a reduction in industrial accidents, coupled with a reasonable hope of profit and expansion of the companies' willingness and ability to write compensation insurance which the industrialist is required by law to carry.

## NEWS OF THE COMPANIES

### Globe Indemnity Elects Barton as Vice-president

Walter S. Barton has been elected vice-president of the Globe Indemnity, the announcement being made by President A. Duncan Reid at the 25th anniversary banquet and celebration of the company. Mr. Barton has been assistant secretary the past four years.

Mr. Barton joined the metropolitan department of the Globe Indemnity in the early days of the company, following some experience with the Ocean Accident and in the brokerage business. He developed as a liability underwriter and when the health of Vice-president George F. Coar, who had charge of the liability department at the home office, began to fail, Mr. Barton was transferred to the home office as liability underwriter and shortly thereafter was made assistant secretary.

### Liberty Mutual to Build Home

BOSTON, Sept. 30.—The Liberty Mutual has purchased 28,681 square feet of land on Stuart street and St. James avenue, near the home office of the John Hancock Mutual Life, for erection of a new home office building. A price of \$1,347,199 was paid for the land. Construction will begin at once.

### Receiver Loses Tax Suit

SIoux CITY, IA.—The federal income tax department has won its contention in the district court that W. F. Grandy, receiver for the American Bonding & Casualty of Sioux City which failed in February, 1921, must pay income on earnings on property in his control. The government sued for

about \$80,000 and won verdict for \$59,000. The court refused to allow interest and penalties for the reason that the receiver had always shown these earnings in his return and the receiver's counsel had asked the Internal Revenue Department whether or not a tax was due on this portion.

### Standard Accident a Veteran

The Standard Accident should have been included in the list of companies at least 50 years old. It was incorporated in 1884.

### Casualty Company Notes

The Employers Liability and the Accident & Casualty of Switzerland have been licensed in the state of Washington.

The First Reinsurance, Accident & Casualty of Switzerland and the Casualty Indemnity Exchange of St. Louis have applied for California licenses.

## PERSONALS

While selling fidelity bonds in the field years ago, W. B. Joyce became convinced that at least 90 percent of those convicted of embezzlement or more serious crimes, had not had driven home to them in childhood the wisdom of common honesty. This feeling was deepened when Mr. Joyce later became chief official of the National Surety. His remedy for the evil would be to have the principles of honesty taught in the public schools, when the human mind is plastic and open to lasting impressions. Former Chief of Police Mulrooney of this city once publicly declared that in his opinion the large number of youthful criminals was largely the result of the absence of early religious instruction.

W. J. (Boo) Sparver of Syracuse, N. Y., who goes to the Louisiana Casualty & Rating Commission, has operated his own local agency at Syracuse, following a successful career coaching football at Syracuse University, his alma mater. He served as assistant football coach for a number of years. While an undergraduate at Syracuse University, "Boo" Sparver gained letters in three major sports. He continued to show an active interest in the athletic policy of this institution. The newly created insurance commission in Louisiana consists of three persons who supervise casualty and surety rates.

Ambrose F. Rooney, manager metropolitan New York burglary and plate glass department, Fireman's Fund Indemnity, died at Post Graduate Hospital there at the age of 63 after a short illness. He was in insurance for more than 35 years, starting with the Fidelity & Casualty, then going with the Maryland Casualty, being manager of its burglary department for 15 years. He joined the Standard Accident in 1925 as burglary and plate glass department manager. When the Fireman's Fund Indemnity was organized in 1930 he joined that company. Mr. Rooney was one of the outstanding men in his line and active in organizations.

W. H. McBryan, resident vice-president United States Fidelity & Guaranty in charge of the Detroit branch office, is observing his 35th anniversary with the company. The company will be host Oct. 1 to more than 200 company executives, agents and friends of Mr. McBryan at a 35th anniversary testimonial banquet in the Book Cadillac, Detroit. Judge C. I. Webster, a friend for more than a quarter century, will be toastmaster, and many speakers will pay tribute. Among those who will respond

to toasts will be R. Howard Bland, chairman of the board; E. Asbury Davis, president U. S. F. & G.; F. A. Ganter, president Fidelity & Guaranty Fire; W. M. Brucker, vice-president American Life and Republican nominee for U. S. senator; P. F. Lee, vice-president and agency director and former associate of Mr. McBryan in the Detroit branch; C. L. Hoffman, director of production in the branch; T. A. Payne, attorney for the company in Detroit, and W. G. Fitzpatrick, a lifelong friend. Other company executives who will attend are: Harry Helm, secretary F. & G. Fire; J. Dillard Hall and O. R. Leeds, associate agency directors U. S. F. & G. and W. O. Schilling, Chicago manager. E. S. Karrer, agent for the company for 16 years, is handling arrangements. Mr. McBryan is active in insurance associations, being vice-president of the Casualty & Surety Executives' Association.

It is expected that H. E. McClellan, who resigned recently as Pacific Coast vice-president Maryland Casualty, will shortly announce a new connection. Meanwhile, however, Mr. McClellan is devoting his time and energy to his group of gold mines which were consolidated a short time ago under the name of Maybert Mines. The mining property is located in Nevada County, Cal., and consists of more than 600 acres with 16 claims. Among these are five which operated 60 stamp mills, producing in excess of \$2,000,000 according to official report of the state mineralogist during 1918. Mr. McClellan is president of the company.

Mrs. J. G. Yost of Baltimore, wife of the vice-president of the Fidelity & Deposit, is bereaved owing to the death of her sister Mrs. Mary B. Nackman of that city. L. G. Nackman, the husband who died some 10 years ago, was office manager of the New Amsterdam Casualty in New York City.

Robert O. Owens, St. Louis resident vice-president for the Mutual Benefit Health & Accident and the United Benefit Life, died suddenly from an acute attack of indigestion. He was 43.

### Rules on New York Law

NEW YORK, Sept. 30.—An amendment to the New York compensation law adopted by the last legislature stipulates that . . . "All Claims for compensation resulting from inhalation of harmful dust where the last exposure occurred between the effective date of this act (June 6, 1936) and Sept. 1, 1935, shall be barred unless filed within 180 days from the date on which this act becomes effective." The Compensation Insurance Rating Board rules: "The carrier shall be privileged to return to the assured the amount of the deposit fund in excess of the employer's share of outstanding claims at the end of 180 days after June 6, 1936, if in the judgment of the carrier no further claim will be presented after the expiration of such period.

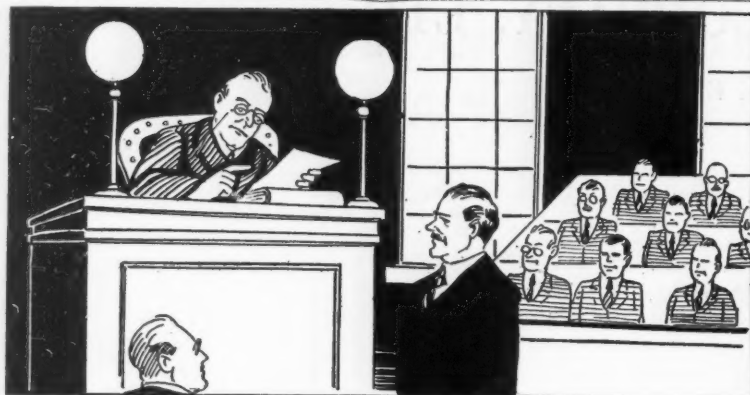
### New Comprehensive Form

SEATTLE, Sept. 30.—A comprehensive auto and liability and property damage policy is announced by the United Pacific of this city. It covers automobile liability and property damage, owners' landlords' and tenants' liability, owners' protection, manufacturers' employers' liability, elevator liability and contractual liability, premiums being computed upon existing rates in the manual.

### WANTED

Experienced Bond Man to act as assistant to manager of bond department of large casualty company in Chicago. Young man—good references—splendid opportunity.

ADDRESS D-76, NATIONAL UNDERWRITER



## THE VERDICT!

### A Heavy Judgment to Be Paid by the Property Owner

Under the ILLINOIS LIQUOR CONTROL ACT, the PROPERTY OWNER—whether an individual, corporation, trust organization or otherwise—having control of property in which liquor is sold, also the TAVERN KEEPER or Seller of liquor may be subjected to heavy judgments for Personal Injuries—Loss of Means of Support—Damage of Property of others.

The Real Estate and Personal Property of the Building Owner and Tenant may be sold to satisfy such judgments.

Do Any of Your Clients Own or Control Property in Which There is a Tavern?

Do They Know About This Law?

Send for full particulars—now!

**A. F. SHAW & COMPANY, INC.**

Insurance Exchange

CHICAGO

WABash 1068

## Agency System Is at Stake Today

(CONTINUED FROM PAGE 3)

Abandonment of that system "by those who have become entrenched and powerful," would raise the vital question that brought the association into existence 40 years ago.

It is obvious, he said, that there exists in this country today insurance management which "looks with longing eyes into the supposed green pastures of wholesale insurance, visualizing the receipt of large blocks of premiums, secured directly and without the intervention of any agent anywhere. To justify such a thought, there needs only to be cited the demands of some large insurance buyers who declare that the agent is unnecessary in their scheme of things; that his only sphere of usefulness lies in the smaller business, not placed with these new adventurers who are seeking a place in the sun by crowding out and overthrowing those who have a legitimate right to be there."

### Violation of Laws

However, Mr. Bennett pointed out, buyers forget that in attempting to buy insurance direct on a wholesale basis they are asking companies to violate state laws and insist on receiving favoritism over the smaller merchant or manufacturer. While the insurance business must mold itself to fit modern business needs, it must also guard against this new method of violating the fundamental principles of insurance, and overthrowing a method in operation for 100 years which has brought the business to the magnificent heights it occupies today. Such an outcome may seem radical and visionary, he said, but with many radical schemes flourishing today, it can not be disregarded.

### Compares Present with Past

Mr. Bennett traced briefly the growth and development of the insurance business, comparing it today with that of 40 years ago when the National association was founded. Forty years ago, he said, there was not a single agency principle established or recognized in the United States for the protection or to the advantage of the local agent. Rate cutting was the order of the day. Competition running riot among insurance companies led to the selling by the lowest bidder. Confidence in the stability of the business was overthrown. Forty years ago there was no automobile insurance; there were no automobile finance companies; there were no general cover contracts, no workmen's compensation insurance, and corporate suretyship was in an embryonic state. The insurance business as it is today, he said, was largely developed during the lifetime of the National association.

### Facing Test Today

"Today," Mr. Bennett said, "we are confronted with a test as to whether this institution, or the agency system so organized, so ordained and so existing throughout the years, shall continue as an influential factor in the insurance business, or whether by reason of present ominous trends it shall pass away."

In this connection, Mr. Bennett called upon the big five in the fire insurance business—the Home, America Fore group, Hartford Fire, Royal-Liverpool group and the North America—not to "take a walk in this campaign; not to walk out on the American agency system."

"If these great leaders should see their way clear, emphatically, definitely and finally to place their stamp of disapproval on this wholesale and direct production theory, it could be eliminated overnight; and if this big five could be joined by a like number and in like position in the casualty business, it would mean the beginning of a glorious future, triumphantly moving into the next 40 years with the absolute certainty

## Faunce Is Elected New Jersey Head

(CONTINUED FROM PAGE 4)

first year's issues of the "New Jersey Agents."

Speaking on "Local Board Opportunities," H. D. Holmes, Summitt, stated the agents must realize there are many problems confronting them that need concerted action and decision of local boards. Competition is necessary, he said, but it must be clean and above-board competition. He said one of the worst evils of the business is promiscuous appointments of parttime agents who have no real knowledge of the business and who issue policies that do not properly cover assured and cause adverse criticism of companies and the business.

Professors A. C. Busse and R. C. Borden of New York University gave a demonstration of "How to Make a Sale Stick."

### Commissioner Withers Talks

A luncheon was held at which Commissioner Withers was guest speaker. He reported an estimated saving of at least \$50,000 premiums on fire insurance placed on various properties under his control in the division of conservation. He attributed this savings largely to co-operation of county agents groups that make surveys of risks to be covered and place the insurance on the commissioner's order. Each policy prior to expiration, and new policies, are assigned by a committee appointed by the county association according to location, he said. Thereafter the premium rate is checked with the rating bureau, which is affiliated with the insurance department to determine sufficiency of the rate and coverage. Irrespective of the number of properties surveyed by each member of an association, all participants share equally in the premiums, and at the regular commission rate allowed on commercial business, he said.

Commissioner Withers said renewals of expiring policies and new insurance are running at the rate of about \$1,800,000 monthly, covering nearly 4,000 properties in practically every county of the state. Politics has no part in placing the cover, he said. It is placed on a merit basis, many agents performing service to the state far beyond any hope of adequate compensation. More than 400 agents are participating in this business, and practically every insurance company licensed in the state.

### Adopted in Other Places

He reported that New Jersey was the first state in the country to adopt this equitable and scientific method of insurance coverage; since which time both Massachusetts and Connecticut have adopted similar plans and the Mortgage Commission of New York has adopted the plan almost in its entirety to cover insurance of more than a half billion real estate.

On behalf of the association Col. Frederick Hickman presented a gold wrist watch to E. M. Schmuls, the retiring president.

A talk on "Mutual and Reciprocal Competition" by W. L. Falk of the Royal closed the gathering. He gave interesting figures of mutual companies in comparison with stock companies, relative to net premiums written, unearned premium reserves, surplus, assets, losses and expenses, and also reviewed experience of the 13 mutuals involved in the San Francisco conflagration.

that the insurance highway will be cleared of all obstacles. Thus would be provided an open road to reach objectives in the distance, as far in advance of the position we occupy today as is our present situation over that of 40 years ago."



**SPEED**  
*Reliability*

The modern tempo is decidedly for speed—faster trains, faster cars, faster planes—all receive front page headlines. Speed is the keynote of the present era.

And people expect faster, better service. That is exactly what the American Glass is keyed to give assureds who suffer losses on insured plate glass.

Such service has helped build this organization to its present enviable position of outstanding leadership in the Chicago plate glass replacement field. Avail yourself of our exceptional service!

**AMERICAN GLASS CO.**  
1030-42 N. BRANCH ST. CHICAGO.

## ACCIDENT AND HEALTH FIELD

### A. & H. School at Los Angeles Policies of Sun Indemnity

Sales Congress Sponsored by A. & H. Managers Club, with C. H. Thrift in Charge

The accident and health insurance sales-congress, sponsored by the Accident & Health Managers Club of Los Angeles and directed by Vice-president C. H. Thrift, manager of the accident and health department of the Behrendt-Levy agency, was held this week. At the luncheon J. E. Joseph, resident manager Commercial Union fleet, was master of ceremonies.

#### Speakers on Program

E. F. Hanson, president A. & H. Managers Club and manager Cass & Johansing agency, discussed "Aims and Purposes of the Accident & Health Managers Club"; Walter G. Gastil, southern California manager Connecticut General Life, spoke on "The Business of Accident and Health Insurance"; R. A. Brown, life member of the Million Dollar Round Table of the National Association of Life Underwriters and associated with the home office agency Pacific Mutual Life, "Accident and Health Insurance in the Field"; W. J. Whitchurch, vice-president California Agencies, Inc., "How the Adjuster Helps the Sales Department"; Commissioner Carpenter of California; I. O. Levy, vice-president Behrendt-Levy agency, on "Pioneering in Insurance." The meeting concluded with an address by Gordon J. Watkins, dean of the college of letters and science of the University of California at Los Angeles, on "Modern Education and the Insurance Business."

### Features of Two New Forms of Accident Contract That It Put on Sale

The Sun Indemnity now writes its motorists accident policy, Form AM, providing \$1,000 principal sum, \$500 reimbursement and monthly indemnity for losses sustained while riding in or driving a pleasure automobile, while riding as a passenger in a public automobile (including taxicabs, buses) or in consequence with being struck by an automobile at any time. Principal sum payments are for loss of life, both hands, both feet or sight of both eyes. One-half principal sum is paid for loss of hand or foot or sight of one eye.

Monthly indemnity for total disability is paid for six months and partial disability of two-fifths indemnity for one month. The expense reimbursement part of the policy pays \$5 per day for hospital confinement and a similar amount for nurse's expense; \$3 per treatment is allowed for medical expense incurred while insured is totally or partially disabled. X-ray expense of \$15 is allowed and surgical operation payments for fractures, amputations and dislocations are according to specified amount in schedule. The surgeon's fee is \$10 for non-disabling injuries. Non-prorating form of standard provision No. 1 is in the policy. The premium is \$10 annually.

#### Budget Accident Policy

The "Budget Accident Policy" is written on men in A and D classes at \$15, C and D at \$20 and business women for \$20 and \$25, respectively, annually by this company. The policy provides \$1,000

principal sum, \$500 reimbursement, \$75 monthly indemnity; \$1,000 is paid for loss of life. For loss of both hands, both feet, sight of both eyes, one hand and a foot, either hand, foot and sight of one eye, three times this sum is paid. For loss of hand or foot, \$1,500 is allowed and for loss of sight of one eye, \$1,000. Monthly indemnity from date of accident to date of principal sum loss is also provided if disability is continuous and total. Total disability and monthly indemnity for 12 consecutive months is provided when insured is wholly and continuously disabled and thereafter for 36 months if insured is wholly and continuously disabled and prevented from engaging in any occupation or employment for wages or profit. Two-fifths monthly indemnity is allowed for partial disability for not more than two consecutive months. The expense reimbursement feature of the policy provides payment of \$5 a day while confined in hospital, \$3 a day for period when graduate nurse is employed and a medical expense is allowed for \$3 for treatment when insured is either totally or partially disabled. X-ray expense of \$5 per plate is provided and operating allowance of \$10, anesthetic fee of \$10 and surgical benefits according to schedule of operation in the policy for certain fractures, amputations and dislocations. The payment for medical treatment of non-disabling injuries is \$15. Usual identification allowance of \$100 for expense necessary to transmit information to friends or relations of the insured is also provided. Standard Provision 17 is omitted from the policy.

### A. & H. Experience Under Standard Forms Soon Out

NEW YORK, Sept. 30.—Analysis and tabulation of the loss experience of member companies of the Bureau of Personal Accident & Health Underwriters under the commercial personal accident forms of policies, which has been under way for some time, will be completed and available for those entitled to receive it within the next three months. This assurance was given the governing committee at its quarterly meeting here. The data is being eagerly awaited by executives who appreciate the aid it will be to them in charting courses for the future, in that the experience is all based upon conditions under standardized contract forms adopted in 1932.

Admission to Bureau membership was granted the Accident & Casualty of Switzerland.

Casualty company officials all report a satisfactory increase in personal accident writings thus far during the present year, attributing it in part to the added effort put forth by agents to secure the line, and again to the continued betterment of economic conditions, warranting many who hitherto felt unable to purchase the indemnity, to do so now. A further satisfactory situation is the marked diminution in the moral hazard, a condition likewise due very largely to the uptrend in general business.

### Philadelphia Club Plans Many Activities for Year

PHILADELPHIA, Sept. 30.—The Accident & Health Club of Philadelphia begins its 1936-37 season the end of this week with a luncheon meeting in the rooms of the Insurance Society. J. H. O'Rourke, Jr., life insurance investigator, will speak on fake claims, illustrating his talk with movies. He has attained prominence through introducing movies of fake claimants as court evidence in defense of insurance companies.

Committees will report and make suggestions for the coming season. The program committee has tentatively arranged speakers for the season. For

the November meeting, E. S. Banks, Philadelphia public relations counselor, is scheduled to talk on sales promotion and its proper application by agents and brokers.

The educational committee has also tentatively drafted the program for a series of four weekly lectures preceding the accident and health sales congress next spring. Subjects to be discussed in the course, which will be offered free to all agents and brokers in the territory, are history and economics of accident and health insurance, policy forms and their explanation, underwriting accident and health insurance, and prospecting. The club may publish the lectures in textbook form.

### Plan Hoodoo Day

The Chicago Accident & Health Association is planning a meeting Oct. 13 to make plans for Hoodoo Day, Nov. 13. The feature speaker will be J. Robert Johnson, Chicago broker, who is responsible for the Hoodoo Day idea, having sold 13 accident policies on Friday the 13th several years ago. The coincidence was featured by the editors of The Accident & Health Review and developed into the now famous Hoodoo Day held on Friday the 13th every year. Chicago members of the Black Cat Club will sit at the speakers table. The Black Cat Club is made up of agents who have sold 13 or more accident applications on Hoodoo Day in the past.

An outing was held this week at the Southmoor Country Club by the Chicago association.

## ASSOCIATIONS

### Baxter Brown Elected

KANSAS CITY, Sept. 30.—Baxter Brown, manager for the Fidelity & Deposit of Maryland, has been elected treasurer of the Casualty & Surety Underwriters Association to replace Robert J. Pierson, who resigned when he sold his agency.

### Los Angeles Managers Meet

The Casualty Insurance Managers Association of Los Angeles held its opening fall meeting with a large attendance of members and guests. H. C. Gillespie, Los Angeles manager United States Fidelity & Guaranty and president of the association, presided at the business session, which was devoted to discussion of various problems in the local field, a number of which were referred to committees.

### Ohio Association Meeting

The Ohio Association of Casualty & Surety Managers will hold its first fall meeting Oct. 6, in Columbus. John H. Parks, Royal, Cleveland, first president of the association will talk, and E. C. Ensminger, of the Aetna, Columbus, will report on the financed car situation. John W. Bricker, attorney-general and Republican candidate for governor, is expected to attend.

### Des Moines Club Elects

The Casualty & Surety Club of Des Moines elected new officers at its luncheon meeting: President, C. L. Bowers, assistant manager Massachusetts Bonding; first vice-president, George LaMair, special agent Central Surety; second vice-president, John C. Bowers, special agent Hartford Accident; secretary-treasurer, Loran Thompson, casualty superintendent American Surety.

**GET new business • RENEW old business • DISARM competition**  
How? Ask about  
**The Fire, Casualty & Surety Bulletins**  
420 East Fourth Street • Cincinnati, Ohio

## AMERICAN Re-Insurance Co.

Robert C. Ream, President

99 John Street New York

DECEMBER 31st, 1935

CAPITAL . . . . .	\$1,000,000.00
Surplus . . . . .	4,044,764.57
Voluntary Catastrophe Reserve . . . . .	500,000.00
Reserve for Losses . . . . .	3,527,772.91
All Other Liabilities . . . . .	1,407,161.92
<b>TOTAL ASSETS . . . . .</b>	<b>10,479,699.40</b>

NOTE: Securities carried at \$690,943.75 in the above statement are deposited as required by law.

## CASUALTY RE-INSURANCE

Thirty-Four Years—Through Thick and Thin

**AMERICAN CASUALTY COMPANY**  
READING, PENNSYLVANIA

● Experience gained through meeting many and varied conditions removes the always dangerous snap-judgments and vacillating practices that bring gray hair to agents' heads.

A Stock Company

Incorporated 1902

Supporting the American Agency System ever since

Boost your premium volume on Friday, Nov. 13th

SEND 20c FOR SAMPLES OF HOODOO DAY MATERIAL

The Accident & Health Review A-1946 Insurance Exch., Chicago

● Hoodoo News, an illustrated pre-approach sales folder to mail out to prospects three days before the big drive.

● Black Cat Postal Card to mail out two days before the drive telling when you will call.

● Black Cat Display Card (11 x 14) to distribute around your neighborhood in prominent places.

## FIDELITY AND SURETY NEWS

### Unusual Angles Noted in Freight Bonds in Missouri

What is said to be a peculiar situation in regard to freight bonds prevails in Missouri, outside of Kansas City and St. Joseph. The clearing house, which gives shippers 30 days for payment of bills, requires a freight bond, covering the railroad's loss should a shipper not pay his freight bill. The line has been written as an accommodation because experience has been poor and companies haven't accepted the bonds freely.

Several months ago the clearing house changed its rules in that it now doesn't require a bond from every shipper, but only from those whose financial condition seems to warrant it. Assuming the clearing house's judgment is the same as the insuring company's then at the start the selection is very definitely against the latter.

There is also some question whether the clearing house can require a bond from one shipper and not from others. The clearing house can require certain shippers to pay cash, while it extends credit to other shippers, bringing in the question of discrimination.

### Nebraska Supreme Court Cuts Judgment to \$2,930

LINCOLN, NEB., Sept. 30.—The supreme court has reduced from \$56,000 to \$2,930 the judgment entered in the district court against the Metropolitan Casualty, Columbia Casualty and the Fidelity & Deposit, the former two as surety for T. W. Bass, state treasurer, in 1931 and 1932, and the latter as surety for W. C. Oelkers, his bond clerk. The state alleged in 111 instances the state treasurer permitted Wachob, Bender & Co., Omaha bond brokers, to detach from bonds sold to the state permanent school fund coupons in excess of the amount called for under the contract.

The state board's custom was to pay the face value of bonds bought at a premium and allow the broker to cut off enough coupons to take care of the premium at which they were purchased. The court holds that the state failed in 93 instances to prove its charges, and entered judgment on 16 causes of action where it was found records of the board and treasurer's bond register agreed. No records were found of other transactions in the board's offices, these having disappeared.

The judgment actually runs against the bond brokers, giving the insurance companies and their principals recourse from them. The brokers denied the charges, but at one time offered \$19,000 settlement, which was refused by the board. The decision scores members of the board, composed of five leading state officers for not making bond purchases in open board meetings, instead of by memoranda handed from one to the other.

A demand that Dr. Bass, who is again the republican nominee for state treasurer, resign from the ticket was made.

Later Dr. Bass said he would not resign as the Republican candidate for treasurer. He said the suit went to judgment in district court for a much larger sum than was found by the supreme court just before the primary, and he was nominated in spite of voters' knowledge of the transaction in which the district judge found he had not personally profited.

### Ballard Is Named

Walter M. Ballard has been appointed a general agent of the Loyal Protective in Columbus, O.

### Defalcations Are Reported by Three Minnesota Banks

ST. PAUL, MINN., Sept. 30.—Although companies writing bank protection in Minnesota have had few hold up losses to complain of the past year, they have not been so fortunate from the bonding standpoint. Recently three banks have reported defalcations by employees and in two cases arrests have been made. Carl Rutscher, former auditor for the First National bank here, is in jail charged with taking some \$7,600 of the bank funds. His alleged peculations are covered by insurance.

At Minneapolis Clarence A. Morden, teller in the Marquette National bank, pleaded guilty to unauthorized use of bank funds. An employee of the Stock Yards National bank, South St. Paul, has been discharged after a shortage of several thousand dollars was discovered.

### American Surety Wins Case

The American Surety after several years of litigation has secured a final decision of the Nebraska supreme court that where it issued three bonds on as many officers of the Citizens State Bank of Stuart, each for \$5,000, it cannot be held liable in excess of \$5,000 in an action against the officers based on violations of terms of their bonds where the cause of action covers the same acts. The receiver was granted judgment for \$5,000 in each case and secured rehearing. The court decided it would adhere to its previous holding.

### Best Company Takes Over "Safety Engineering" Plant

Alfred M. Best Company of New York has taken over the magazine, "Safety Engineering," with its entire staff. This publication was founded in 1901 as a medium for disseminating information on the progress and development of conservation of life and property against fire and accident, and antedated any organized accident prevention and industrial disease control.

The national organization and facilities of the Best company will be applied in carrying on this work. Arthur C. Carruthers is editor, having been at the head for more than 20 years. He has addressed many safety meetings. Harry Armand continues as associate editor, having had several years' experience in New York and the field.

Publication of this magazine is strictly in line with the experience and scope of the Best organization, safety being interwoven with insurance. The enlarged magazine will stress safety in industry, in the home, in use of motor vehicles, health conservation and protection against fire, fully cooperating in organized or other safety activities. While the approach will be mainly one of public education, illustration of safe and unsafe methods, carelessness, etc., the publication will also deal with technical aspects of the problem, need for protective devices and control for inspectors and engineers.

### Uncover 30 Fraud Cases

BUFFALO, N. Y., Sept. 30.—The district attorney's office has uncovered more than 30 apparent cases of fraud growing out of the operations of a fake automobile accident ring believed to have been operating here over a long period of time. Activities of police have been hampered by the disappearance of a material witness, it is understood. One company alone has submitted evidence that it has been defrauded to the extent of \$66,000 in a comparatively short time, it is understood.

## Special Policies Issued

Unforeseen and unproclaimed hazards of both business and individuals calls for a greater measure of protection than the ordinary policy affords.

Consult our Special Risk Public Liability Department — All Risk and Unusual Forms.

DOUBT US IF YOU WISH—BUT GET THE FACTS  
WRITE TODAY

**Great Lakes Casualty Company**

Detroit, Michigan

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R. D. COBURN  
Executive Vice-President

J. E. ROLLINS  
Vice-President

SINCE JULY 1, 1917, THIS ORGANIZATION HAS SPECIALIZED  
IN THE WRITING OF WORKMEN'S COMPENSATION  
INSURANCE

AS OF JUNE 30, 1936:

TOTAL ADMITTED ASSETS .....	\$3,428,252.97
TOTAL LIABILITIES .....	2,597,568.78
SURPLUS TO POLICYHOLDERS .....	830,684.19

Based on market value of all securities  
Surplus to Policyholders would be .... 882,152.68

INQUIRIES REGARDING WORKMEN'S COMPENSATION AND  
PUBLIC LIABILITY INSURANCE, ADDRESSED TO OUR NEAREST  
GENERAL AGENT OR BRANCH OFFICE, ARE INVITED

HOME OFFICE .....	BEST BUILDING .....	ROCK ISLAND, ILL.
Charles G. Baeder .....	Insurance Exchange Bldg. ....	Chicago, Illinois
W. A. Schickedanz .....	10-A W. Washington .....	Bellefonte, Ill.
V. C. McDonald .....	Heyburn Bldg. ....	Louisville, Ky.
Wm. P. Rollins .....	130 E. Washington Bldg. ....	Indianapolis, Ind.
J. L. Carson .....	Insurance Exchange .....	Des Moines, Iowa
Crist & Company .....	Elmhurst Bldg. ....	Kansas City, Mo.
Walsh Insurance Agency .....	Webb Crawford Bldg. ....	Birmingham, Ala.
Hicks-Brady Company .....	Harry Nichol Bldg. ....	Nashville, Tenn.
R. A. Hassel .....	721 Pierce Bldg. ....	St. Louis, Mo.
T. H. Maenner, Inc. ....	210 So. 19th St. ....	Omaha, Nebraska

## Agents Meeting Is in Full Swing

(CONTINUED FROM PAGE 3)

It was a happy thought on this memorable anniversary occasion to have the presidents of company organizations bring greetings, all invited being able to appear save one, President Decker of the Pacific Board. Today felicitations were brought by President Paul L. Haid, Insurance Executives Association; C. B. Morcom, president Association of Casualty & Surety Executives; President F. W. Koeckert, National Board; President R. P. Barbour, Eastern Underwriters Association; President H. A. Clark, Western Insurance Bureau and President W. L. Braerton, American Association of Insurance General Agents.

Further greetings will be vouchsafed tomorrow by Presidents C. A. Bickerstaff, Southeastern Underwriters Association and A. F. Powrie, Western Underwriters Association. This afternoon General Manager J. A. Beha of the National Bureau of Casualty & Surety Underwriters appeared for his organization reviewing the achievements of casualty insurance during the four decades.

One of the features this afternoon in which all were interested was the talk by Director F. S. Dauwalter of the Business Development Office of New York City who told of the objects, aims and program of this joint enterprise. He is particularly adapted to this important work. Preceding his talk a surprise was sprung by the introduction of Willie Vocalite, the mechanical man who "spoke a piece."

Important reports were presented today from W. Owen Wilson of Richmond, Va., who told about the referendum conducted to get the sentiment of state associations on retrospective rating for workmen's compensation insurance; from President Bair, for the conference committee on financed automobile insurance; from John K. Boyce of Amarillo, Tex., for the constitution revision com-

mittee. The effort fathered by the West Virginia association to change the method of choosing the executive committee through a band of directors consisting of a man from each state is meeting with an unfavorable response. The big majority of the members are well satisfied with the present machinery although many feel the national councillors can well be eliminated.

There are four set addresses for tomorrow morning, all but one being outside the agency ranks but close observers of insurance. A. M. Schmidt of the Johns-Manville Co. of New York City and chairman of the Risk Research Institute, will speak from the buyer's standpoint. Prof. R. H. Blanchard of Columbia University, head of its insurance teaching staff, who has written insurance books, will discuss the changes that have come in the agency system with rapidly shifting conditions. Insurance Director Ernest Palmer of Illinois, president National Association of Insurance Commissioners, will talk from the supervisor's standpoint. He has been before this body before at its get-together banquets and therefore is one of this organization's favorites on the platform. W. Herbert Stewart of Chicago, chairman surety committee, will be the association speaker, he commenting on government contracts with oftentimes reduced rates and the agents suffering reduced commissions.

Tomorrow afternoon will be given to group sessions discussing agency management and operation, the classification being according to size of cities. The leaders are John J. Roe, Jr., Patchogue, N. Y.; Norman B. McCulloch, Lancaster, Pa.; L. C. Hilgemann, Milwaukee.

### Smaller Conferences Held

This afternoon late, Col. Frederick Hickman of Atlantic City, held a meeting of his accident prevention committee with state association chairmen of such committees. There was also held a meeting of the advisory council of the Business Development Office this evening.

A new feature tonight was a theater party with Fred J. Lewis of Milwaukee as master of ceremonies. There were four events, one "The Keystone," a single reel silent film loaned by the National Board; the next, "Logic in Action," a one-act play with a Milwaukee cast headed by Wisconsin State Agent Roy Nicholson of the Michigan F. & M.; then "The Municipal Salvage Man," a National Board sound picture in two reels; finally the graphic "—And Sudden Death," Paramount six reel sound picture from the National Bureau of Casualty & Surety Underwriters.

The past presidents' dinner is on tomorrow evening with E. J. Cole of Fall River, Mass., presiding. The annual ball also is set for tomorrow evening.

### Abrahamson Extends Greetings

C. A. Abrahamson, Omaha, president National Association of Casualty & Surety Agents, extended greetings on behalf of that organization and pointed out that many of the problems affecting the National association were also of concern to his organization. The branch office problem, the growing competition of finance companies and the insurance activities of automobile clubs, are of prime importance to both associations. He especially stressed the growth of so-called political agencies, in which the business is secured through political coercion. He said the problem is one that is growing and will be of serious concern to the legitimate agent unless steps are taken to check it. During the past few years, politicians have exerted such pressure on private concerns that, much as they dislike to, they have been forced to place their insurance with them. Consequently, thousands of dollars in premiums have been diverted from agents rendering real service, into the hands of politicians who know nothing of the

business and render no service but who have a license.

Herbert A. Clark, vice-president western department of the Firemen's, Chicago, who extended greetings of the Western Insurance Bureau, gave a brief address on the "Insurance Man's Code of Ethics." Although most vocations are grounded on ethics, he pointed out no vocation becomes worthy except when it is practiced ethically. The National association, he said, serves its members by defending certain rights and principles. To become entitled to these rights, however, members must have a wholesome respect for the rules; otherwise, the defiant rule of force will prevail. Individual interests and preferences must be subordinated to the advancement of the welfare of the entire membership which, in the final analysis, means success and prosperity for individual members. He urged agents to strive to promote intelligent thinking about insurance from the national point of view, in order that the general public will understand more clearly the functions and achievements of the business.

### MANY REPORTS GIVEN

In his report of the administration, President Kenneth H. Bair outlined the progress of the association during the year and called attention to accomplishments of the mid-year meeting at Atlanta. He cited three major undertakings: production branch offices, financed automobile insurance and the retrospective rating plan, reports on which are given elsewhere in this issue. Mr. Bair called attention to the improved relations with and cooperation of company management during the year and expressed a hope for solution of major problems still under consideration. He also pointed out the improved conditions of state associations and paid tribute to the quality of their membership. He stated that circumstances in the past year forced the association to depart from the old theory that it must keep hands off every question in which commissions are involved, the administration feeling such action was necessary in the best interests of the agents.

The report of the legislative committee was given by Payne H. Midyette, Tallahassee, Fla., chairman. The legislative year has been extremely active, he said, and all bills before Congress are being closely watched by the Washington office of the association.

### Membership Is Increased

The report of the membership committee, given by Chairman Sidney O. Smith, Gainesville, Ga., revealed membership as of August 31 of 12,852, as compared with 11,806 on Sept. 1, 1935. Total net gain for the fiscal year was 1,046, which was 46 more than the quota set for the year. The report disparaged the large turnover in membership, however, because of its great waste. Only six state associations ended the year with net loss of more than eight members. New Jersey showed the largest net increase, with 100. Oklahoma was second with 179, but led in percentage of increase, with 119 percent, for which it was awarded the president's membership cup. California was first in numerical strength, with membership of 1,116, with New York dislodging Ohio for second place with membership of 1,002. The report called attention to the newly established association in Maryland, which now leaves only South Dakota outside the fold.

Frank T. Priest, Wichita, Kan., who as chairman read the report of the finance committee, called particular attention to the improved financial condition of state associations. Total income of the National Association for the year was \$3,309 more than total expenses, despite the fact that activities for the past year have been substantially increased. The budget for the next fiscal year has been set at \$84,149, an increase of about \$300. Increased mem-

bership, based on dues of \$6 per year per member, will produce a total allocation of \$4,186 more than last year.

Greetings from the Pennsylvania insurance department were extended by Commissioner Hunt, who declared that the insurance business today must be elevated to professional standards. This is an age of specialization, he said, and the job of the agent must be regarded in the same light. He told of efforts of his department to elevate standards for securing agents' licenses, declaring it was for the purpose of improving conditions but not to keep really capable people out. The permanence of the agency system depends largely on the specialized knowledge of the agent. No direct dealings between companies and assured could take the place of intelligent, personal study of each individual risk.

W. L. Braerton of Denver, brought greetings as president of the American Association of Insurance General Agents, pointing out many of the problems that are common to both organizations. He commented on the growth and progress of the National association and declared that Denver was proud of the fact that two of the original founders of the association were Denver men, they being Robert Brannen and Charles F. Wilson.

### Barbour Brings Greetings

President R. P. Barbour brought the greetings of the Eastern Underwriters Association which, he said, was also having an anniversary this year, being 10 years old in October. Both organizations, he said, have similar purposes, that of promoting harmony, an orderly conduct and stabilization for the good of agents, buyers and companies. He told of the manifold problems that have arisen in the business the last 40 years, stating that future problems could be met only through organized effort, fair and understanding relations.

C. B. Morcom, vice-president Aetna Casualty & Surety, who extended felicitations as president of the Casualty & Surety Executives Association, pointed out the casualty and surety business has developed during the last 40 years from a business involving only a few million dollars in premiums to one which in 1935 produced premium income of \$930,000,000. This growth, he said, was due to the efforts of commission producers, by far the larger percentage of business being written by stock companies. This signifies the value and effectiveness of the American agency system, for which the National association stands. During the past two years, he declared, real progress has been made in promoting closer relationship between companies and producers.

At the Wednesday afternoon session James A. Beha, general manager and counsel, National Bureau of Casualty & Surety Underwriters, spoke on Casualty Insurance Reaches Maturity. Mr. Beha recalled that in 1896, the year in which the agents association was founded, the casualty premiums of all kinds were \$17,000,000, against \$170,000,000 for fire and marine lines. In 1935 the casualty premiums were \$990,000,000, about \$120,000,000 ahead of fire insurance. He said that while there is still tremendous opportunity for growth in volume, he believes the future history of casualty insurance will be written primarily in terms of effectiveness, rather than of growth in size.

New Orleans is seeking the 1939 annual convention because that year will mark the 25th anniversary of the New Orleans Insurance Exchange.

### Georgia-Alabama General Agent

NEW YORK, Sept. 30.—The Homeland, member of the North British group, has appointed J. D. Helms its general agent for Georgia and Alabama with headquarters in Atlanta. Mr. Helms was formerly Atlanta manager for the Hooper Holmes Bureau and previous to that was a special agent in the south.

## DIRECTORY CERTIFIED PUBLIC ACCOUNTANTS

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## Louisville Agent Advises Contractors' Requirement

Property owners should insist that contractors protect against all damage claims by providing insurance with contingent liability, W. C. Meinhardt, Louisville, Ky., agent, told the Building Congress of Louisville, Ky., at a luncheon meeting. He said building contractors with only a few employees are the principal offenders in subjecting building owners to damage suits through failure to carry workmen's compensation or public liability insurance.

He recommended that architects provide for this coverage in their specifications and require a showing of policies against all hazards as protection to their clients.

## Guilty of Ambulance Chasing

LINCOLN, NEB., Sept. 30.—Rolla C. VanKirk, for a number of years state senator and a Lincoln, Neb., lawyer, pleaded guilty before the supreme court on a charge of engaging in ambulance chasing, and asked for the leniency of the court. He was suspended from practice for 90 days. Two others cases are still pending before the court, and the attorney general is investigating other cases.

## Bean Eases Activities

ST. PAUL, MINN., Sept. 30.—The Minnesota insurance department believes it has succeeded in stamping out the activities of the M. E. Bean group of companies as far as Minnesota is concerned. While the several Bean companies continue to maintain headquarters in Minneapolis, Frank Holahan, who has been handling most of the legal cases involving Bean for the insurance department, said that the Minneapolis concern appears to have quit writing business in Minnesota as the result of numerous actions brought against Bean. Complaints from outside the state also are less numerous than they were some months ago, he said.

## Governor May Enter Insurance

NEWARK, Sept. 30.—It has been reported in insurance circles that Governor Hoffman of New Jersey will become affiliated with an insurance company at the expiration of his term. It is generally felt that it will be a casualty company as he was motor vehicle commissioner of New Jersey before he was elected governor.

## All Hands Endorse Carpenter Filing

(CONTINUED FROM PAGE 27)

of the old participating policies has been allocated to assist to rebuild the non-can reserves. An amount equal to 10 percent of the net profits before dividends on all policies of the old company earned subsequent to July 22, 1936, shall be available for the general corporate purposes of the new company. Directors of the new company from time to time, with the approval of the commissioner, shall transfer from the funds of the new company available for the general corporate purposes to a special fund for the restoration of benefits under non-can policies, such amounts as the directors shall decide to be not required for the operations of the new company. This special fund shall be used to pay additional disability benefits to holders of non-can policies.

### Mutualization Provision

In connection with the old plan, the company was to be mutualized as soon as legally possible. In the new plan, at any time between Jan. 1, 1947, and Jan. 1, 1948, and thereafter so long as the conservator or liquidator of the old company continues to hold any of the stock, 25 percent of the holders of participating policies may request the new company to create a committee to act for mutualization. That committee shall designate a price determination committee and if this committee decides that the company can be mutualized, they shall fix a price for the stock and a plan of payment. There is also provision for alternative proposals of mutualization if alternative plans are found to be desirable. Under certain conditions stock of the company may be distributed to old stockholders or may be sold to others. Lapsed policies may be reinstated for 75 days following court approval of the new plan instead of 60 days as originally provided. The moratorium on cash policy loans and cash surrender values, except to pay premiums, extends for 60 days after the plan has been approved. Assets applying to each class of business must be separately allocated for the sole benefit of that class. In other words, three separate departments are provided, a non-participating life department, participating life department and accident and health department, including non-can. Unless formal dissent from the plan is filed within 75 days following court approval, assent will be assumed. The new company's new business in its participating department must not exceed its new business in the non-par department.

### Endorsed by Gantz

The new plan has been officially endorsed by J. M. Gantz, Pacific Mutual general agent at Cincinnati, in behalf of the general agents of the company, and by Commissioner E. A. Smith, Jr., of Utah, representing the insurance commissioners.

At the suggestion of Judge Willis, counsel representing all factions had been meeting in daily sessions to reach a decision. The chairman of those meetings has been Paul Overton.

George I. Cochran, chairman of the board of the old Pacific Mutual and its former president, announced that he would give assistance, "with the objective always in view for a better and more useful Pacific Mutual company."

President A. N. Kemp gave his whole hearted endorsement of the plan, as well as others that had been interested.

### YETKA STUDIES SITUATION

ST. PAUL, Sept. 30.—Whether financial statements filed in Minnesota by the old Pacific Mutual Life are the basis for criminal action is a question being studied by Commissioner Yetka of Minnesota. He said he is considering the possibilities of seeking indictments against officials of the old company for alleged fraudulent reports filed in this state.

## Kansas City Group Plans Casualty, Surety School

A group of young casualty and surety men and women of Kansas City met to plan the organization of a school to teach the fundamentals of the business. Most of those who attended the organization meeting enrolled for the school, which will cost each student between \$2 and \$4 for a season of 30 weeks,

with classes on Tuesday nights, depending on the number who finally enroll.

The plan is to select outstanding experts from the casualty and surety field to teach classes. For the mutual benefit of students, the night school will be governed and financed by them. If the school is successful, separate classes specializing in certain fields may be organized the second year. The Casualty & Surety Underwriters Association has commended the movement and offered every support possible.

GOOD BEDS . . . . . GOOD FOOD

**PICK HOTELS**

Albert Pick Hotels offer you more for your money. Spacious, up-to-date rooms. Top notch service. Finest food and moderate prices.

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CHITTENDEN HOTEL . . . . . COLUMBUS, OHIO  
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FORT MEIGS HOTEL . . . . . TOLEDO, OHIO  
FOUNTAIN SQUARE HOTEL . . . . . CINCINNATI, OHIO  
BELDEN HOTEL (Opens in Dec.) . . . . CANTON, OHIO  
ANTLERS HOTEL . . . . . INDIANAPOLIS, INDIANA  
ANDERSON HOTEL . . . . . ANDERSON, INDIANA  
TERRE HAUTE HOUSE . . . . . TERRE HAUTE, INDIANA  
VENTURA HOTEL . . . . . ASHLAND, KENTUCKY  
OWENSBORO HOTEL . . . . . OWENSBORO, KENTUCKY  
NEW SOUTHERN HOTEL . . . . . JACKSON, TENNESSEE  
MARK TWAIN HOTEL . . . . . ST. LOUIS, MO.  
RALEIGH HOTEL . . . . . WACO, TEXAS

**PICK, IN PRINT, SHOULD ALWAYS SUGGEST ALBERT PICK HOTELS**



The Medford and the Martin, two hotels adhering to their slogan, "Where the guest becomes an individual and not a number," assure you of courtesy, consideration and comfort. Two establishments where good service is amplified by the luxury of free radio, spring water, air conditioning and redecoration, the importance of travel economy in room and food prices always being considered.

Tasty and skillfully mixed drinks are obtainable at the Medford Oasis and the Martin Mir-O-Bar. Delicious food selections are offered in two modern Coffee Shops and the Old English Dining Room.

ROOM RATES \$1.50 to \$3.00

**MEDFORD and MARTIN HOTELS**  
RIGHT DOWNTOWN OVERLOOKING THE LAKE

**INSURANCE MEN TAKE NO RISK...**

*Coming and Going*

**IT'S HOTEL Gibson**

F. W. PALLANT - GEN. MGR.

1000 ROOMS \$2.50  
WITH BATH FROM

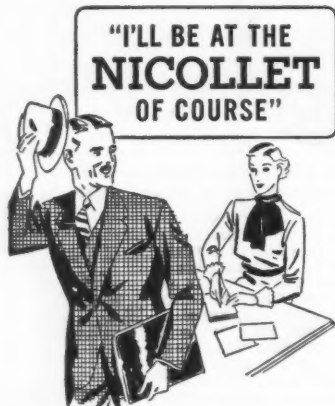
*Largest in* **CINCINNATI**

REPRESENTED IN  
CHICAGO by Harry McEvoy, Hotel Sherman  
PITTSBURGH by Bokwell & Warner, Standard Life Bldg.

## Plate Glass Rate Warfare Imminent

(CONTINUED FROM PAGE 29)

National Bureau, but it was clear this was aimed to permit member companies to write 50-50 if they desire. A very large company indicated it would not write the form. Many others appeared interested in the contract. Companies in the National Bureau objecting to 50-50 were motivated by the fear it would spread over the country and greatly reduce glass premiums. It was said they did not, however, object to members writing the cover in Cook county, Ill., if it could be confined there. It was seen by some Chicago managers as an opportunity to establish their own glass bureau in that city, and it was



Shrewd businessmen, who appreciate real value, invariably stop at the Hotel Nicollet when they come to Minneapolis.

They like the comfort of its 600 modern rooms...the friendly smiling service...and the economy of its rates—as low as \$2. Three fine restaurants, too.

**HOTEL  
NICOLLET**  
MINNEAPOLIS

Neil R. Messick, Mgr.

National Hotel Management Co., Inc.  
Ralph Hitz, President

**DOMINANT  
IN  
POPULARITY**

**HOTEL  
FONTENELLE**

400 ROOMS  
With Bath  
from \$2.50

3 MODERN  
AIR-COOLED  
RESTAURANTS

*Finest Hotel in*  
**OMAHA**  
AN EPPLEY HOTEL

suggested this idea be followed further.

A number of important managers attended the conference, including J. E. Callender, Ocean Accident and Columbia Casualty; H. N. Douglass, New Amsterdam Casualty, W. H. Hansmann, F. & D., E. I. Fiery, Royal-Eagle Indemnity, L. W. Burger, Bankers Indemnity, and W. E. Tucker, Commercial-Metropolitan Casualty.

The old officers of the club presided: President, W. A. Coan, J. M. Hogle & Co., agency; vice-president, George Leineke, National Bureau branch office; secretary, George Borkovec, George W. Roberts agency.

### Prepare New Club Slate

A new slate was prepared to vote on at the meeting but the vote was postponed until a later date. The slate is: President, L. W. Burger; vice-president, Mr. Coan; secretary, Mr. Borkovec; treasurer, Harold Bredberg, National Service & Appraisal Company; executive committee, Martin Patt, U. S. F. & G.; George Rieck, Aetna Casualty; J. MacGregor, Continental Casualty; Paul Gerard, Hartford Accident, and A. K. Layden, Zurich. On the question whether to continue the old club and place it in control of the situation as a means of preserving order, a large majority vote favored this action. The club, which had been inactive for more than a year, bears promise of great usefulness in preventing conditions from getting out of hand, managers say.

The National Bureau's relinquishment of rate control over plate glass in Cook county was not explained in the brief announcement to member companies. A prime reason was interpreted to be the virtual sanctioning of writing the 50-50 contract without specifically authorizing it. Chicago is the place of origin of this form, which has been a competitive weapon that cut deeply into the glass business of National Bureau companies there.

### Sought Approval of 50-50

On several occasions the old Cook County Plate Glass Insurance Bureau, now disbanded, asked the National Bureau's plate glass department to authorize issuance of the form, but this was not done. The National Bureau studied experience and came to the conclusion this was not sufficiently broad and comprehensive to demonstrate that the theory behind the form was sound from an actuarial and underwriting viewpoint.

This failure to permit member companies to write the contract was chiefly responsible for breaking up of the old Cook county bureau, for several member companies that were not members of the National Bureau are prominent in the 50-50 field. To meet their competition, approximately ten National Bureau companies began to write the form.

The killing of two window smashers by police in Chicago this week while they were in the act of breaking panes, it is believed will have a salutary effect on the malicious breakage situation.

## Cites Factors Necessary in Writing Non-can. A. & H.

(CONTINUED FROM PAGE 28)

safety requires selection. It is not necessary to fail in business in order to be aware of the factors which cause failure. The experience of other companies which have failed or been forced to withdraw certain types of coverage, or withdraw from certain territories, is a guide post to us pointing out the direction in which safety of operation lies.

"Our goal is: High type coverage, non-technical claim payments, liberal rewards to agents and company strength and stability."

Mr. Young said there are several types of prospects which the company cannot profitably insure, one being the so-called industrial risk which has as its characteristics untrained, unskilled manual laborers, low wages and uncertain

employment, unfavorable living conditions, ignorance of rules of self-care, ignorance of business methods and practices. This type is bound to make inaccuracies in the application, to have a very high lapse ratio, to have inadequate medical attention in case of disability, to have difficulty in understanding claim payments and to have no good-will value for future business.

Another type easily recognized but more difficult to avoid is the speculative buyer who has the wrong attitude toward accident and health protection. This type has the investment attitude toward disability coverage, figuring that every dollar paid out in premiums should bring return with interest and profit. The fur business, real estate and theatrical profession outstandingly, Mr. Young said, find it convenient at certain times of the year to undertake modest vacations at company expense.

### Observe 35th Anniversary

The Washington convention celebrated the 35th anniversary of the Monarch Life. General agents attending presented to President Young an inscribed gold watch and pen knife, and bouquets of flowers to Mrs. Young, and Mrs. Frank Vanderbrook and Miss Eleanor Young, daughters of Mr. and Mrs. Young. C. E. Mathaurs, general agent at Boston, made the presentation.

The first morning was given over to a welcome address by J. W. Blunt, vice-president and agency manager, and discussion of current problems by President Young. In the afternoon agents completed questionnaires designed to analyze factors bearing upon successful selling.

The second day was devoted to sight-seeing tours of public buildings in Washington and Alexandria and a trip to Mount Vernon with return by boat.

A general agents' meeting was held in the evening. F. L. Merritt, superintendent of agencies, presided the third morning, announcing some results of a sales analysis. There were 12 home office officials present. After the convention 20 qualifying agents and four members of the agency department sailed from Baltimore to Norfolk, Va., for a three-day recreation at Virginia Beach, with informal sales meetings.

## Globe Indemnity in Big Celebration

(CONTINUED FROM PAGE 29)

rousing cheer greeted him when he arose to make his address.

President Reid told of the early days of the Globe Indemnity; the care with which its staff was selected and the determination to adhere to a policy of safe and sane underwriting; a course that has been rigidly maintained through the years, and the wisdom of which has been fully attested. Despite the determination of the management to conduct the affairs of the company "on the highest possible level of efficiency in the service rendered to our clients and to our producers," Mr. Reid said, "this success with which we are credited would not have been possible without the sympathetic cooperation of that splendid group of representatives who have patiently overlooked our defects, have sympathized with our blunders and who have loyally extended their assistance in a manner that has been a joy to the officials and, it is hoped, a comfort to themselves."

### Business Sessions Held

Earlier in the week business sessions were held at which problems were discussed by field men and executives and divisional heads of the company. Relaxation was afforded through golf matches and other forms of entertainment. If "a corporation is but the lengthened shadow of a man," it holds with respect to the Globe Indemnity, for A. Duncan Reid was the guiding and driving force from the day of its launching and is entitled to major credit for

## Unlicensed Carrier Row in Madison, Wis., Is Settled

MADISON, WIS., Sept. 30.—A four-day legal battle hinging on the question whether any other than a Wisconsin licensed indemnity company can insure taxicabs within the state was settled when the London & Lancashire Indemnity renewed its policy. The Yellow Cab Company of Madison had tendered a policy from the Franklin Mutual of Illinois, but the city of Madison refused to accept the policy because the company was not licensed in Wisconsin. This stand was sustained by Circuit Judge Hoppmann. Threats by the city to arrest Yellow cab drivers and impound their cabs unless the insurance requirements were met resulted in issuance of a restraining order against the city by Judge Hoppmann.

The agreement then was reached that the London & Lancashire Indemnity, which also insures the Checker Cab and City Car companies of Madison, should write the coverage.

The cab company had claimed it was unable to obtain insurance with licensed companies, its policy formerly carried with the London & Lancashire having been cancelled.

### Zurich to Have O. D. Forum

The Zurich will conduct a forum next Monday afternoon, beginning at 2 p. m., on the occupational disease situation in that state. On Thursday of this week, Oct. 1, the new occupational disease law of Illinois goes into effect. The Zurich was the first company to announce definitely what its procedure would be in handling the coverage under this new law.

The meeting will be primarily for agents and brokers that are close to the Zurich, but the meeting will be open to others. W. C. Eaton, superintendent of underwriting, and D. B. Lightner, supervising underwriter, will give a presentation of the situation and will answer questions. The meeting will be in 347 Field building, that being an assembly room. The Zurich extends an invitation to anyone interested.

the high position it has enjoyed. When invited to assume the management of the company in process of formation late in 1910, Mr. Reid, though a comparatively young man at the time, had already achieved a name for himself as a capable insurance executive.

His initial knowledge of casualty underwriting, gained with the Canadian department of the London Guarantee & Accident, was broadened through subsequent association with the Ocean Accident, as its United States assistant manager. Numerous attempts to have Mr. Reid join rival organizations were made, all being rejected however, until the late Henry W. Eaton invited him to the management of the Globe Indemnity, an intended ally of the Liverpool & London & Globe. The task was one that fired the imagination of Mr. Reid, affording as it would full scope to outline an administration policy, select his aids and demonstrate the soundness of his underwriting and business production theories. Apart from the affairs of the Globe Indemnity, Mr. Reid has contributed much to the upbuilding of casualty and surety underwriting generally. A firm believer in cooperative effort, he has ever been an organization man, holding membership for his company in the various governing associations and striving constantly for improvement in whatever might make for the betterment of the business as a whole.

Robert C. Brady of the Swope-Brady Agency, Wichita, Kan., has been appointed publicity chairman of the Wichita community chest drive in November.

Wilson Pierce, Jr., of the Los Angeles brokerage firm of Burgard, Pierce & Sibert, has left the Swedish Hospital Seattle, and is well on the road to recovery. He will spend several more weeks in the Pacific Northwest.



Organized 1875



ACCIDENT AND CASUALTY INSURANCE COMPANY  
OF WINTERTHUR, SWITZERLAND  
111 JOHN STREET  
NEW YORK

*Statement January 22, 1936*

ASSETS

U. S. Treasury Bonds and Notes . . . . .	\$1,390,291.54
Other Bonds . . . . .	484,505.00
Stocks . . . . .	137,543.87
Accrued Interest . . . . .	16,519.07
Cash in Banks . . . . .	1,037,080.82
	<u>\$3,065,940.30</u>

*All Securities taken at Market Value January 22, 1936.*

LIABILITIES

Voluntary Contingency Reserve . . . . .	\$ 565,940.30
Statutory Deposit, New York . . . . .	850,000.00
Net Surplus above Deposit . . . . .	<u>1,650,000.00</u>
Surplus to Policy Holders . . . . .	<u>2,500,000.00</u>
	<u>\$3,065,940.30</u>

NEAL BASSETT

*United States Manager*

111 JOHN STREET, NEW YORK



# FOR ONE-THIRD OF A CENTURY

Republic has been a good Agency Company:

**THE PROOF**

\*

54 Texas Agents have represented Republic more than 30 years  
125 Texas Agents have represented Republic more than 25 years  
246 Texas Agents have represented Republic more than 20 years  
391 Texas Agents have represented Republic more than 15 years  
505 Texas Agents have represented Republic more than 10 years

Today Republic is a popular Agency Company:

**THE PROOF**

For many years Republic has written more Texas direct agency fire insurance premiums than any other stock company operating in the State.

Today there is no stronger Company than Republic:

**THE PROOF**

Assets of \$7,709,765 as against liabilities of \$2,338,076 shows a ratio of more than \$329 of assets to every \$100 of liability.

\*Republic operates in 27 states and when it has been in each of the other 26 for one-third of a century the proportion of long-time Agents will be just as large as now in Texas.

**REPUBLIC**  
**INSURANCE COMPANY**  
**DALLAS, TEXAS.**



Kenneth D. Steere, Chairman of Board

Pacific Coast Department  
548 South Spring St., Los Angeles, California  
Hugh H. Gaffney, Vice President

A. F. Pillet, President

Eastern Department  
300 Madison Avenue, New York, N. Y.  
A. B. Roome, Vice President

# *The* NATIONAL UNDERWRITER

LOCAL  
AGENTS  
CONVENTION  
NUMBER

---

## FORTY YEARS AGO—

A meeting of the "Twenty Immortals" in a Chicago hotel—inspired by the burning zeal of R. D. Brannen of Denver—guided by the clear, wise, statesmanlike vision of C. H. Woodworth, of Buffalo—the "noblest Roman of them all"—

The birth of a new idea

## AND TODAY—

*The Pittsburgh Convention*  
*Forty Years of Constructive Service*  
*Forty Years of Progress*

The fruition of the new idea of 1896 into a fundamental of Insurance practice of 1936.

NATIONAL SURETY CORPORATION  
NEW YORK

---

FRIDAY, OCTOBER 2, 1936



THIS SIGN HAS STOOD FOR STRENGTH, SOLIDITY AND SQUARE DEALING SINCE 1710

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## **SUN INSURANCE OFFICE, LTD.**

OF LONDON

FOUNDED 1710

**Sun Underwriters Insurance Company of New York**

**Patriotic Insurance Company of America**

**Sun Indemnity Company of New York**

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### **FIRE CASUALTY MARINE AND ALLIED LINES**

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**HEAD OFFICE:**

55 Fifth Ave., New York  
O. Tregaskis, U. S. Manager

**WESTERN DEPARTMENT**

309 W. Jackson Blvd., Chicago  
Chas. W. Ohlsen, Manager

**PACIFIC COAST DEPARTMENT**

San Francisco, California  
Swett & Crawford, General Agents

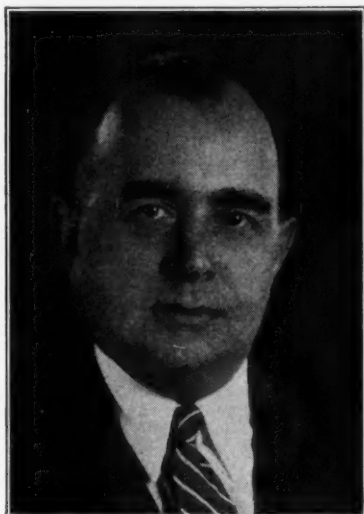
**MARINE DEPARTMENT**

111 John St., New York  
Wm. H. McGee & Co., Inc., General Agents

**SUN INDEMNITY COMPANY**

55 Fifth Ave., New York  
F. I. P. Callos, President

## TRIBUTE TO AN AGENCY LEADER...



KENNETH H. BAIR, Greensburg, Pa.

The agencies represented on this page are taking this means of publicly expressing their appreciation of the very valuable and long continued service of Kenneth H. Bair of Greensburg, Pa., in the organized agency movement. Mr. Bair, in the fiscal year of the National Association of Insurance Agents just closed, served as its president with distinction. Prior to that he was chairman of its executive committee for a year and previously he served as a regular member of the committee. He has been president of the Pennsylvania Association of Insurance Agents and in a number of instances, both in our state and national organizations, as a committeeman or a spokesman for the organized agents, has presented our case with intelligence and vision.

The agents of Pennsylvania are particularly proud of "Ken" Bair. He is typical of the agency sentiment of the state. Pennsylvania has an insurance record of distinction. Within its confines are many leaders in various communities, who have spread the gospel of sound insurance.

To Kenneth Bair, we extend our congratulations on his noble and effective work and hope that he will continue to be a leader among the local agents in these days when generalship of his type is needed.

### GREENSBURG ASSOCIATION OF INSURANCE AGENTS Greensburg, Pa.


#### J. W. HENRY

**COLE, INC.**  
GENERAL AGENTS  
INSURANCE  
607 Peoples Bank Bldg.  
Pittsburgh, Pa.

**HOOVER & DIGGS COMPANY**  
GENERAL INSURANCE  
Commonwealth Building  
Pittsburgh, Pa.

**EDWARDS, GEORGE & COMPANY**  
INCORPORATED  
INSURANCE  
307 FOURTH AVENUE, PITTSBURGH

**H. P. LICHTENTHALER**  
*Insurance Manager*  
FREEHOLD REAL ESTATE COMPANY  
Insurance Agents & Brokers  
311 FOURTH AVENUE  
PITTSBURGH, PA.

**R. A. PAYNTER, INC.**  
Union Trust Building  Pittsburgh, Pa.

**LOGUE BROS. & CO., INC.**  
W. RAY THOMAS, President  
221 Fourth Avenue  
PITTSBURGH, PA.  
50th Anniversary—1886-1936

**ALBERT C. DARRAGH**  
*General Insurance*  
Union Bank Building  
PITTSBURGH, PA.

**HURST-ANTHONY COMPANY**  
Insurance — Surety Bonds  
PITTSBURGH, PA.

**Lon C. Jeffrey Company, Inc.**  
General Agents  
Keystone Bldg.—324 Fourth Avenue  
Pittsburgh, Pa.

**ALBERT E. McCLOSKEY**  
**OGDEN W. McCLOSKEY**  
1801 KOPPERS BUILDING  
PITTSBURGH, PA.

*Established 1896*  
**K. WM. SCHUCHMAN**  
PITTSBURGH

**WARNOCK-ROBINSON COMPANY**  
First National Bank Building  
14 North Mercer Street  
NEW CASTLE, PA.

**WATSON & FERGUSON INC.**  
Savings Bank Building  
BUTLER, PA.

## AMERICAN AUTO AGENTS—

Have pronounced no greater tribute, inspired no finer precept, nor more forcefully interpreted the purposeful aims of a company management—than by their frequent comment: “*American Auto* is the kind of a company an agent likes to do business with.”



**Admitted Assets  
more than  
\$14,000,000**

**Surplus to Policyholders  
more than  
\$5,000,000**

## AMERICAN AUTOMOBILE INSURANCE COMPANIES

L. A. HARRIS, *President*

ST. LOUIS, MISSOURI

*“Oldest and Largest Insurers of Automobiles Exclusively”*



HEATH STUDIOS

## THE SKILLED HAND OF EXPERIENCE

**D**EFTLY AND EXPERTLY, the trained hand of the surgeon completes the operation, experience and knowledge assuring and guiding him through critical moments.

Like the skilled surgeon, Standard's insurance experts have been through an "internship" of many years of experience, from which comes the assurance and practical wisdom needed for counsel and advice on your insurance matters.

The individuals who handle your insurance decisions in Standard's Home Office and in the Field, have had an average term of insurance experience as follows:

**CASUALTY UNDERWRITERS . . . over 15 years**

**SAFETY ENGINEERS . . . . . over 18 years**

**BONDING UNDERWRITERS . . . over 13 years**

**CLAIM MEN . . . . . over 13 years**

**AGENCY MEN . . . . . over 20 years**

... And back of each man there is an efficient and practical executive guidance made possible by the accumulated experience of more than half a century.

### THERE IS NO SUBSTITUTE FOR EXPERIENCE

Standard attracts new agents and brokers and holds old ones, because this experience is combined with cooperation and a willingness to serve. It has made Standard's reputation nationally famous.

You, too, would find it profitable and enjoyable to represent the Standard of Detroit.

**STANDARD ACCIDENT INSURANCE COMPANY**  
*Standard Service Satisfies*

STRENGTH · PERMANENCE · STABILITY

*A Statement  
of a Principle*

Throughout their entire field of operations the companies of the Fireman's Fund Group have no alliances or affiliations in conflict with or detrimental to the American Agency System.

*Fire · Automobile · Marine · Casualty · Fidelity · Surety*

**FIREMAN'S FUND GROUP**  
*Fireman's Fund Insurance Company ~ Occidental Insurance Company*  
*Home Fire & Marine Insurance Company*  
*Fireman's Fund Indemnity Company ~ Occidental Indemnity Company*

New York · Chicago · SAN FRANCISCO · Boston · Atlanta

WEEKLY  
NEWSPAPER  
OF  
INSURANCE

# The NATIONAL UNDERWRITER

Fortieth Year—No. 40-A

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, OCTOBER 2, 1936

LOCAL AGENTS NUMBER

## Local Agents Gather In National Rally

### Many Wheels Are Whirling Around

Numerous Activities in Addition to the Big Convention Proper

### EARLY DAYS STRENUOUS

Some of the Sideshows Before the Performances Start Wednesdays in the Large Tent

Convention Hall,  
Pittsburgh, Oct. 2.

This year the wheels went around more rapidly than ever before at a convention of the National Association of Insurance Agents, and there were more wheels. The convention week is becoming more complex and strenuous, thus mirroring the growth of insurance and the variety of its pattern.

The registration started Sunday which had not been done before. The local committeemen were on the job early that day and were almost as busy Sunday as on succeeding days.

The annual meeting of the Pennsylvania Association of Insurance Agents was held Monday afternoon and that brought a goodly attendance of state men. There are a number of hearings, if they can be so called, before the executive committee, for state officers or

(CONTINUED ON PAGE 32)

### Four Memorials Adopted at Concluding Session

The National Association of Insurance Agents recognize that the institution of insurance must mold itself to fit modern business needs: That precedent alone cannot longer continue as the motivating influence on proper practices: That the business of the nation is not what it was 40 years ago when this organization was formed, nor are insurance requirements what they were even a decade ago. Time, methods and men come and go. But despite constantly changing requirements the principles of sound protection and fair treatment must remain constant. Nevertheless, insurance cannot lend itself to visionary, unsound or questionable practices. It must continue to be the stable protection for all property interests provided at reasonable and proper costs, serviced and administered by competent men whose knowledge of necessary insurance requirements is of paramount importance.

This association therefore pledges its continued effort to make insurance adaptable to every legitimate public need to the end that it may be recognized as an institution of unquestioned value in every walk of life.

\* \* \*

The problem of insurance on financed automobiles continues and increases. Under present conditions, the buyer of an individual automobile policy is penalized because the contract he secures is not as comprehensive as the master policy furnished a lending institution. This condition throws up a competitive barrier that cannot be easily hurdled, and is unjust and unfair to the local agent.

The National Association of Insurance Agents urges the companies which write automobile insurance immediately to provide a modern and broadened mortgage clause that will place their agents in a position to offer their clients coverage comparable to that afforded under the master policy, as the first step toward solution of the entire problem.

\* \* \*

It is reported that admitted stock companies are writing quality-

(CONTINUED ON PAGE 33)

### New Officers in the Pilot House

W. Owen Wilson Becomes President of the National Agents Association

### LISCOMB NOW CHAIRMAN

Big Annual Convention at Pittsburgh Was Replete with Varied and Engaging Features

By C. M. CARTWRIGHT

Convention Hall  
Pittsburgh, Oct. 2

W. Owen Wilson of Richmond, Va., chairman of the executive committee of the National Association of Insurance Agents for the last year was elevated to the presidency this morning and inducted into office by the retiring chief, Kenneth H. Bair of Greensburg, Pa.

Charles F. Liscomb of Duluth, who has been a member of the executive committee for three years, was chosen its chairman and hence is headed for the presidency next year.

The organization is thus assured again of having a combination of experience, strength and sound judgment. The team of Bair and Wilson has been exceptionally effective and resourceful. It takes men of large parts now to pilot this craft.

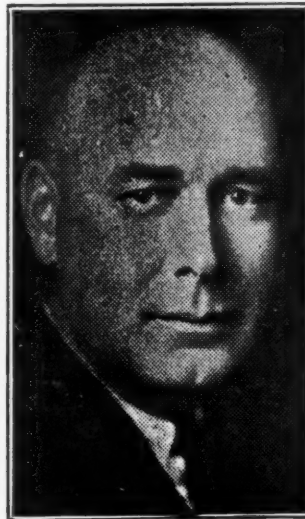
(CONTINUED ON PAGE 28)



W. OWEN WILSON, Richmond, Va.  
New President



KENNETH H. BAIR, Greensburg, Pa.  
Retiring President



CHARLES F. LISCOMB, Duluth  
New Chairman



WALTER H. BENNETT, New York City  
Secretary-Counsel

# Forty Years as Onlooker at Agency Association

By C. M. CARTWRIGHT

As I sat at the press table during the business sessions of the National Association of Insurance Agents in Pittsburgh this year, as I mingled with the throng in the hotel lobby, attended the get together dinner and as an observer looked on at other events, I certainly had an exhilarating thrill. This particular meeting was intensely interesting to me because 40 years ago on Sept. 30, 1896, in the Great Northern Hotel in Chicago when I was the insurance reporter of the Chicago "Inter Ocean," it was my privilege to sit in with the now so-called "immortal 20," local agents who gathered in one of the rooms to talk over the prospects of organizing a national body. Out of that "immortal 20" there are two survivors. Strangely enough they come from Missouri, each from the state's two largest cities, George D. Markham of St. Louis and John A. Bryant of Kansas City, both with considerable snow on the cottage roof but the fire still burns brightly on the cottage hearth. They have changed since that great day in Chicago when they were in the heyday of their lives, but they must feel much satisfaction 40 years later in having taken a hand in the formation of this great association. Aside from the "immortal 20" there were two newspaper men who sat during the entire day while these people were discussing the possibilities of organization. The late C. I. Hitchcock who was insurance editor of the Chicago "Record-Herald" and I were invited in.

## R. S. Brannen Was the Motivating Spirit

The meeting was called, inspired and motivated by Robert S. Brannen, the breezy, colorful, dynamic Denver agent. He was the soul of the institution at first. He was possessed with zeal and enthusiasm and it permeated the rest of the agents. Just how the invitations were sent out and who selected the names, I do not know, but undoubtedly Mr. Brannen and Charles F. Wilson of Denver, his cohort, made out the list.

## Pioneers Were of the Individualistic Mold

As I listened to the various points brought up, the thought forcibly struck me that most of these men were distinctly individualists. Some of them had little to say, but others were blunt and outspoken. Many of them seemed to have serious grievances against companies they had represented in the past or represented at that time. With it all they were robust characters. It was a time when individualism in business was necessary. They fought in the field and at company headquarters.

Notwithstanding the fact that these men had nurtured their grievances

against companies and harbored deep resentment until that feeling became intense, the onlooker could but feel that there was something wrong in the relationship between agents and companies and that the agents were in part justified in their animosity.

As I look back over the span of 40 years, my own thought in the matter is that the National Association of Insurance Agents, if it has done nothing more, has insured the value of the business of local agents. At the time these pioneers met in Chicago the money value of their business was uncertain and very unstable because in case of a grievance against an agent a company immediately started a rate war, which not only involved the agent's business but all others in the city. Immediately on organization of the national body, weak though it was, the power of association and cooperation was manifest.

## Improvement in the Field Is Apparent

Undoubtedly there are grave problems today and there are causes for exasperation, but it is my opinion that in 1896 there were fundamental wrongs that were winked at that have now been righted. While the changes during the four decades have been gradual, and important changes only come in a gradual way if they are to be permanent, yet certainly today is a vast improvement over 1896.

In that interesting coterie of men were some that were more pugnacious than others, notably A. H. Simrall of Covington, Ky., Mervin Jackson of Toledo and D. H. McCarthy of Davenport. The statesmanlike agents were Mr. Markham, A. H. Robinson of Louisville and C. H. Woodworth of Buffalo. There was presidential material in the group because out of it came four national presidents, they being Mr. Simrall, Mr. Woodworth, Mr. Markham and Mr. Robinson. Charles F. Wilson who was elected president in 1906 should have been in that meeting because he did cooperate so heartily with Mr. Brannen in the preliminaries.

## Contrast Is Seen in the Two Gatherings

It is a far cry back from this large and constructive meeting in Pittsburgh to the room in the Great Northern Hotel in Chicago. Here this week are the pomp and circumstance of a great convention, the glamor and color, the fascination of crowds, the presence of dignitaries not only in the local agency ranks, but from company and organization offices, the various side meetings and group conferences, the state association leaders—all this shows the gradual development of 40 years.

If there were giants in those days there are still giants in these days. The men of today are doing their work just as well as those did in 1896. There is greater coordination, cooperation and tolerance today. The relations between companies and agents are far more harmonious. While we have vexing and exasperating issues and there are many conditions that should be improved, yet as I see it the evolution is constantly working and progress is being made.

It is with pardonable pride, I think, that I can step out of my professional setting and inject myself personally into these activities at Pittsburgh, because having been present at the birth of the organization, its career, activities and aspirations have had a particular concern with me. I am quite proud of what has been done during the 40 years. I have been at almost all the conventions, both national and mid-year. Therefore, I have had an opportunity as a spectator of this lively and vivid drama to

## Membership Man



SIDNEY O. SMITH, Gainesville, Ga.

Sidney O. Smith of Gainesville, Ga., National association executive committeeman, gave the membership report. He has done great service in building up the fences in all territory. He is membership chairman.

watch its course, to note the play of personalities and to chronicle the deliberations.

The most satisfactory individual advantage that I have gained is the opportunity to have come in contact with agents all over the country, the leaders in their communities, men of vision, knowledge and determination. It has been a glorious adventure and today the National Association of Insurance Agents stands out as one of the most helpful and stabilizing influences we have in the business.

## Big California Delegation

California had a strong and formidable delegation. There were present William P. Welsh, Pasadena, president; G. C. Appleton, Fresno, vice-president; Frank C. Colridge, Oakland, executive secretary; Edwin R. Pickett, and George Watrous, Sacramento; Neal Harris and Floyd M. Lane, Oakland; Ralph Bach, San Diego; William H. Menn, Eugene Battles and Harry Perk, Jr., Los Angeles; Delevan Bowley, San Francisco, and William Glassick, Hollywood.

## Pittsburgh Hospitality Generous in Every Way

The Pittsburgh agents proved themselves most generous and engaging hosts. The local arrangements had been carefully planned and hence the machinery moved with clock-like precision. There was a heavy registration and there were many demands. The committeemen were on the ground early and remained until late. The activities were all confined to the 17th floor of the William Penn which embraces the ball room where the convention was held, except the councillors' breakfast conferences Tuesday morning and the executive secretaries' meeting Monday which were on the club floor. The exhibits, registration work, executive committee headquarters, ladies headquarters, etc., were all on the 17th floor which concentrated the various activities and made for convenience.

James W. Henry was chairman of the general arrangements committee and never was there one more efficient and obliging. His confreres were Ralph H. Alexander, Wallace M. Reid, W. Ray Thomas, Chas. C. Kohne and H. E. McKelvey.

## Setup Revised in Four Point Plan

Instruct Secretary Bennett to  
Draft Changes in the  
Constitution

## BOYCE COMMITTEE ACTS

Recasting Decided Upon Is in Lieu of  
What West Virginia, North  
Carolina Recommended

There has been much discussion over the activities of a group headed by Thos. F. Southgate of Durham, N. C., and Frank R. Bell of Charleston, W. Va., to bring about some changes in the machinery of the National Association of Insurance Agents which in their opinion would make it more democratic. They believed the membership as a whole should have a greater voice.

This resulted in a special committee being appointed at the Rochester convention a year ago headed by John K. Boyce of Amarillo, Tex., to go over the matter and make recommendations.

## Four Point Program Is Unanimously Adopted

The report was adopted without a dissenting vote. Its main features are:

1. Nine members executive committee instead of seven.
2. No executive committee member to serve more than three years consecutively, with the exception of the chairman, president and immediate past president, unless an emergency arises when one may secure one more term.
3. National councillor system to be strengthened and taken back to its original purpose. Councillors elect their own chairman.
4. State presidents to be brought more closely in the picture by meeting with the executive committee at mid-year and annual meetings. The state president is to be in command in his state.

Mr. Bell withdrew the West Virginia resolutions providing for a new method of electing the executive committee by state directors. In his talk he said he saw some dangerous tendencies developing in the management and declared they should be checked.

General Counsel Bennett was instructed to draft the necessary amendments to the constitution and submit them to the midyear meeting so that changes can be made by the time of the 1937 annual convention.

## Publishers Had Exhibits

The convention committee turned over an aisle to the press for exhibit purposes and consequently the fourth estate was better represented with exhibits than in previous years.

THE NATIONAL UNDERWRITER had a large booth with all its fire and casualty publications on display. George C. Roeding, associate manager at Cincinnati, was in charge, assisted by E. H. Fredrickson. James C. O'Connor, editor of the "Fire, Casualty and Surety" bulletins was on hand, as well as J. T. Maloney, editor of "Accident & Health Bulletins." A sign mentioning the activities of Joe Futz, prominent agent of Eighty-Four, Pa., attracted much attention, and many conventioners asked for him. Mr. Maloney on occasions doubled for the famous Mr. Futz.

The Alfred M. Best Co., the "Insurance Field," "Rough Notes," and the "United States Review" also had exhibits.

## Joseph Futz Commends President W. O. Wilson

Joseph Futz, the live wire agent from Eighty-Four, Pa., attending the convention here, in commenting on the new president, W. Owen Wilson, said: "A few weeks ago I wrote my friend 'Ken' Bair and told him Wilson should be elected. It was the first time he had been mentioned for the job. I find Owen Wilson has an electric eye. He sees a lot of things. He will drive mealy mouthed agents out of the business. I am squarely behind Owen Wilson and I intend to hold him close to the grass roots. In other words Owen is a Derby winner."

# Sessions Held By Local Board Groups

## Three Divisionals Discuss Problems

Fred J. Lewis Addresses Each Meeting on Branch Office Question

### ALAN LIVINGSTON'S UNIT

Those Attending Session for Smaller Cities Favor Handling Public Business Through the Exchange

Tuesday afternoon was given to local board conferences in three groups. The first consisted of boards in towns up to 50,000 population, No. 2 ran from 50,000 to 250,000, and No. 3 above 250,000. A. V. Livingston, Englewood, N. J., secretary of his state body, presided over Group No. 1. C. Stanley Stults of Hightstown, N. J., was secretary.

Fred J. Lewis of Milwaukee spoke before all three groups about the report of the conference committee on production branch offices.

"This is most important in many cities, he said, and eventually all points, however small, may be affected. In referring to branch offices he included general agents writing local business. He insisted on parity of operation so that branch offices can offer no more service or pay no more for business than a commission agent. Mr. Lewis excepted purely service offices where no business is written. Some branch offices, he pointed out, are able to furnish facilities that an agent can not afford. He urged local boards to adopt resolutions protesting against production branch offices not on parity of cost with agents so that the National Association of Insurance Agents may have their backing.

### Writing of Public Business by the Local Boards

Group No. 1 talked about the handling of public or political business by boards. Many arrange to take care of all such, the commission going to the organization. Usually some office or the secretary of the board acts as the distributor. He gets up the forms and apportions the line. In many cases, the board uses the commission fund for organization expense, dues for members to local and state associations. Then a dividend is declared either equally or on some pro-rata basis. In Council Bluffs, Ia., the local board uses part of the money for advertising. It was voted as the sense of the meeting that it is desirable for local boards to handle public business.

Stanley Stults told about the plan worked out, of which he is the father, in his state for handling the insurance on property owned by financial institutions either in liquidation or where an official is acting as conservator. In New Jersey the banking and insurance commissioner is the official in charge. All policies are written in some New Jersey company and the business is reinsured in other licensed companies on a basis proportionate to their premiums. There are 21 counties with a chairman, secretary, and an advisory board. Each risk is assigned by the secretary. All business is cleared through a central office. After expenses are paid, the residue is divided equally among resident agents who are members of the state

(CONTINUED ON PAGE 35)

## Safford Conferees Suggest How to Get Attendance

More than 75 attended Group No. 3 on local boards in cities of 250,000 population and above. It was under the chairmanship of Theodore Safford, president of the Cincinnati Board. M. K. Dubach of Kansas City acted as secretary. Conducting one of the best meetings ever held, Mr. Safford kept a running score of methods used and results obtained in the different cities, on specially prepared tabulation sheets.

Subjects discussed were stimulation of interest in board meetings, experience of boards in assuming jurisdiction over casualty and inland marine, legal set-up of the broad attitude of the board toward representation of non-organization and non-stock carriers, educational activities and cooperation between local boards and the National association.

### How to Get Attendance at Board Meetings

Methods used to stimulate attendance included cash prizes, free meals and various stunts. Outside speakers of reputation and an interesting subject seemed to get the best results in all cities, regardless of whether meals were free or not.

The majority of boards still control fire insurance only, but a number of cities are broadening. Companion boards on casualty matters, often with virtually the same officers, are being developed in a number of cities.

The discussion of the legal set-up showed that the boards are about equally divided into corporations and voluntary associations. The general conclusion was that the type of organization should depend on state laws and the local situation, but that every board should have its setup checked by a competent attorney.

Much interest was shown in the New Orleans Insurance Exchange, on account of its excellent financial condition

and the strong control it exercises. President A. M. Savage of that group was asked many questions regarding the operations.

The discussion of financial matters in connection with the legal set-up showed a sharp discrepancy in the different boards, even in the same state. High membership fees were praised for creating valuable emergency funds and for keeping part-timers out of the business, but were felt impractical in many cities.

### Interest in Education Work by Boards

Many of the boards reported success in sponsoring insurance courses at local colleges and universities. Some are using the Insurance Institute schedule, but the majority have deviated considerably.

None of the boards will admit members representing mutual and reciprocal fire carriers, although many have members representing casualty organizations of this type. Atlanta is the only exception, this being involuntary, due to the supreme court decision which broke the Atlanta board's "all in or all out" rule last year.

### New Orleans Seeks 1939 Muster

A. M. Savage, president New Orleans Insurance Exchange, led the Louisiana delegation in pulling for New Orleans as the annual convention city for 1939, that marking the 25th anniversary of the local body.

### Committee Chairmen

W. B. Calhoun of Milwaukee, former president, was appointed chairman resolutions committee and Stanley Stults, Hightstown, N. J., chairman nominating committee.

## Cover Many Points in Welsh Session

Legal Complications in Enforcement of "In-and-Out" Rule Discussed

### AUTO FINANCE PONDERED

More Than 80 Attend Parley for Representatives of Exchanges in Medium Size Towns

Eighty-three registered, many of whom participated in the lively session of Group 2, local board conference for medium size cities, presided over by William P. Welsh of Welsh & Gates, Pasadena, Cal.

Out of the comprehensive agenda prepared, interest centered chiefly on whether membership in local boards should be coextensive with state and National association membership, standards of qualification for board membership, frequency of meetings, branch office representation, the handling through local boards of insurance on public property and the recovery of financed automobile premiums.

Chairman Welsh announced it was the purpose of the conference to bring out the solution of local board problems. Grand Rapids, Mich., it was reported, had had good cooperation from the Aetna Casualty and Travelers branch offices in adjusting their agency representation to conform with local board requirements.

Frank T. Priest of Wichita expressed the opinion that, in drafting by-laws for a local board, they should be as complete as possible at the outset, thus avoiding the embarrassing necessity of passing amendments to meet emergencies.

### Sole Agency Rule at Birmingham

In Birmingham, the sole agency rule has been in force successfully since 1921, but applies only to fire company representation. Underwriters agencies there are treated as one with the parent company but each company of a group may have single agency representation. A provision is made to allow companies to have one agent in each of the suburbs of Birmingham.

The Scranton, Pa., board takes in the whole county with about 100 members out of the 400 agents in the county. Pressure is being brought to bear successfully to reduce multiple agency representation, correcting a badly aggravated situation. Board members, who control a large percentage of the business have successfully offered the alternative of surrendering an offending company's supplies if an excessive number of agencies is continued.

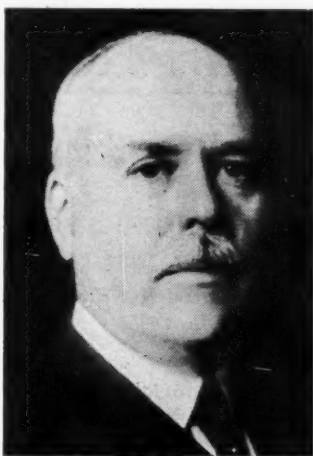
About half of the local boards represented in the meeting are incorporated under state laws.

Most of the local boards represented are coextensive in membership with their state associations and the national body. In most cases dues are collected by the local board for all three connections, graded on a premium income basis for each agency.

The Memphis board includes in its

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## Honor Founding Fathers



GEORGE D. MARKHAM, St. Louis

Two Missouri local agents were highly honored at the get together dinner of the National association, they being George D. Markham of St. Louis and John A. Bryant of Kansas City, the only survivors of the "immortal 20" that gathered in Chicago on Sept. 30, 1896, to found the National Association



JOHN A. BRYANT, Kansas City, Mo.

of Insurance Agents. Mr. Markham is a member of the local agency of the firm of W. H. Markham & Co. He is a past president of the National Association of Insurance Agents. Mr. Bryant has retired from business. He was a former member of the agency firm of Hunter, Ridge & Bryant.

# Opening Session of the Big Agency Convention

At the opening session of the National Association of Insurance Agents Wednesday morning President Kenneth Bair observed that the get-together dinner should be given the Saturday night before the meeting or the last night, as he found too many empty seats. However, there is glamor at the first session with the rostrum banked with ferns, palms and flowers, the flag in its standard presented by the New Orleans Insurance Exchange when the National body met there in 1927, the president, secretary and executive committee chairman in position, the singing of "America" led by W. B. (Big Bill) Calhoun of Milwaukee. Rev. A. J. Holl, First Lutheran Church of Pittsburgh, spoke the invocation. That ended the preliminaries, brief but imposing.

## Founding Father Markham Presented

The real business started with President Bair's review of the work since the midyear meeting, a report of the main features of the year, an inventory of what has been accomplished. Those who listened felt a sense of pride in the record and in the chief executive who piloted the ship during the year. President Bair has proved to be one of the most outstanding heads that have served the organization.

At the close of the presidential address, Mr. Bair called Geo. D. Markham of St. Louis to the front. Mr. Markham had not been able to be at the banquet the evening before. John A. Bryant of Kansas City, the other survivor of the association founders, was greeted at the dinner. Mr. Markham

served two years as president, he being the third in that position. He was elected in 1900 and 1901. Mr. Markham is one of the statesmen of insurance. He has always stood for definite principles. In his brief talk at Pittsburgh he said that the association of today can well be the beginning of 40 years of growth and achievement, equal to the four decades just closed. He said that great leaders had always come to the front every year for the presidential position.

This year in view of the anniversary year, Secretary W. H. Bennett was called on to deliver a keynote address. As a keynoter, he has no superior in insurance. In perfect voice, using many oratorical gadgets, he ran over the 40 years, going back to the day when R. S. Brannen of Denver, tired, hot and dusty, stepped off a C. B. & Q. train at Chicago and went to the Great Northern Hotel where the next day he was to preside over a small body of agents. And on that day this National body was born. Mr. Bennett castigated companies for encouraging wholesale insurance, giving preferential treatment to the great detriment of local agents. In this partnership, he pontificated, one partner should not go into unknown paths and do things greatly affecting the mutual interests, without the consent of the other. Agents, he said, must recognize right principles. They must do their part as well as the companies.

President Bair called attention to the fact that C. M. Cartwright, THE NATIONAL UNDERWRITER, reported the original meeting 40 years ago when he was insurance editor of the Chicago "Inter Ocean."

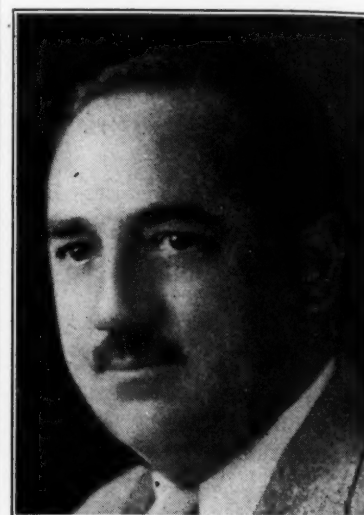
Sidney O. Smith of Gainesville, Ga., energetic and successful membership chairman, gave his report. There was total net gain of 1,046 for the year. The membership on Sept. 1 was 12,852. Ezra M. Sparlin, Rochester, N. Y., long time membership committee chairman, commended the work of Chairman Smith and his associates.

Paul L. Haid, president Insurance Executives Association, who brought greetings from his body, received special treatment from President Bair. Attention was called by Mr. Bair to the fact that Mr. Haid started in the company ranks about the time that he began in agency work. Mr. Haid furthermore was born in New Castle, Pa., the western part of the state. He traveled out of Pittsburgh as a field man. Mr. Haid spoke of Bliss Perry's exquisite biography "And Gladly Teach," and he paraphrased it to be his theme "And Gladly Serve." Mr. Haid declared there have been serious differences between companies and agents but the two organizations did get together in a joint enterprise, the Business Development Office, one devoted to the promotion of stock insurance. Agents who are stock company minded, he asserted, can get much benefit out of this work. Mr. Haid said his organization has voted to triple its original appropriation for this joint movement.

The Association of Casualty & Surety Executives brought greetings by its president, C. B. Morcom, vice-president Aetna Casualty. During these 40 years, he said, the casualty and surety business has been developed in a way almost romantic. Conditions are greatly improved, he added, and casualty insurance is today in a healthy condition. Some 80 percent of the casualty and surety premiums, he said, is produced by stock company agents.

The old company organization, National Board, was represented by its president, F. W. Koeckert, manager of the Commercial Union. This organization had been in existence 30 years when

## State Greeter



OWEN B. HUNT

Pennsylvania Insurance Commissioner Owen B. Hunt represented officially the insurance department at the get-together dinner and made the welcome.

the National Association of Insurance Agents started.

C. A. Abrahamson of Omaha, president National Association of Casualty & Surety Agents, extended greetings from his group. He said about 90 percent of the members of his association belong to the National Association of Insurance Agents.

At the Atlanta meeting, the executive committee was instructed to take a referendum.

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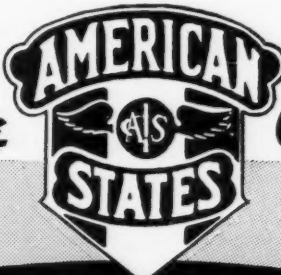
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# Agency Management—Operation Meets

Thursday afternoon was given to the group sessions discussing agency management and operation. There were three, Group No. 1 comprised agents producing up to \$100,000 in premiums, No. 2 from \$100,000 to \$300,000 and No. 3 those over \$300,000.

Group No. 1 was in charge of John J. Roe, Jr., Patchogue, Long Island, New York, president. Oscar Beling, agency systems department, Royal-L. & L. & G. in New York City, spoke before all groups on agency accounting methods.

L. B. Corley, Nashville, told of an agency that takes notes for premiums over 45 days out, charging 6 percent interest. It arranges with the bank to handle these notes. It has been found successful in dealing with delinquents. The bank requires the endorsement of the agent. There is a stipulation in the note that the policy is subject to cancellation if the money is not paid. One agent feels that a better plan would be to use the service of a finance company. Some banks will not discount notes but will accept them for collection. Sometimes it is desirable to arrange with the customer at once for installment payments. F. R. Smith, Haverhill, Mass., feels that if there is a local board agreement not to rewrite policies cancelled for nonpayment, the collection problem is very well solved.

## Agents Taking Part in the Adjustment

In discussing adjustments, one agent said he always accompanied the adjuster so that he can hear what is being said. If an assured gets the idea that the agent is interested in the service given, it will create good will. Some agents stated that they could settle on more favorable terms than if an adjuster does the work. The assured is not likely to try to impose on the agent. It was generally agreed that service at time of loss is essential. Some losses are of a kind that an agent should not try to adjust because it may be embarrassing for him.

The question of public adjusters came up and the attitude of agents toward them. It was stated that claimants should be warned of the danger of dealing with these people.

In the discussion of agency expense, one speaker stated in case of offices doing less than \$10,000, they are usually conducted on too high expense basis. They usually represent too many companies and not having often a good system, it is not possible to keep an accurate account of what is transpiring. Many of these offices are over manned. Too much is paid out in overhead. It developed that some small offices employ three clerks and a few get by with one.

## Value of Local Agency Subject to Discussion

The question of purchase price of agencies came up. One member bought a business giving 75 percent of the commissions on paid premium the first year; 50 percent the second and 25 percent the third. About 45 percent of the business is still on the books. Another member paid 1 1/4 times the commission. A second agency was bought at 1 1/2 and still another double the commissions. The value of good will was discussed. One put up the profit of one year for that item; another two years' profits. One bought an agency in another city for 50 percent of the year's commissions.

As to brokers, the general consensus was that it did not pay to get any that are unqualified. Some will not take business from other agents in the same town. One man gets solicitors on small salary and small commission usually with agreement that if he leaves he will

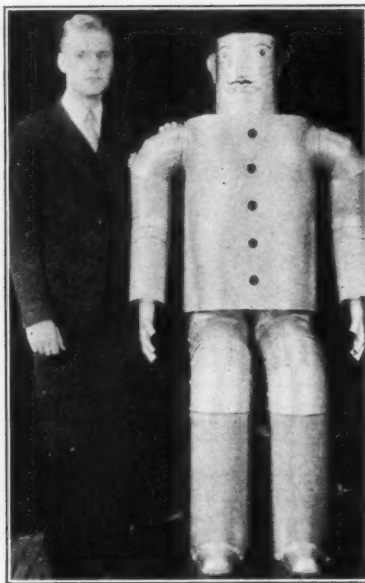
not go into the business for a certain period. Others felt it was a good plan to start a boy in as an office boy and let him develop. It was voted to ask Secretary Bennett if there is any standard contract that might be used as a model for employing solicitors.

Some discussion arose as to whether the group should be established on a population basis rather than premium volume. It was said that in some smaller points there are large offices. The small agencies have common problems that differ from the large ones. It was voted to continue on the premium volume basis.

One member urged intelligent surveys taking in all insurance. In that way a logical program is mapped. Usually an appraisal is made on properties.

Chairman Roe called attention to the desirability of getting the companies to

## Willie Vocalite, Stooze, Lends Dauwalter a Hand



F. S. Dauwalter, director Business Development Office, provided a touch of novelty on the Wednesday afternoon program in connection with his address, "A Joint Enterprise," by having "Willie Vocalite" act as his "stooze," thus providing a novel introduction to a talk on mutual competition. Willie, it later developed, was made available through the courtesy of the North British & Mercantile group.

Just prior to Mr. Dauwalter's talk, "Willie," a 350-pound, 6-foot mechanical man, was introduced as a surprise speaker. As "he" finished, Mr. Dauwalter stated that Willie's remarks were actually made in an address by the president of the New England Insurance Exchange at its second annual meeting at Boston, Jan. 3, 1885.

Speech making is not all that Willie is capable of. As a matter of fact, this "iron man" smokes cigarettes, never advocating any particular brand as smoking seldom harms a steel throat; runs a vacuum sweeper; hoists a flag; sings a song; stands up and sits down. He was built at an estimated cost of \$25,000 by the Westinghouse Electric & Manufacturing Co. and is always accompanied by his operator. After his platform appearance Willie was placed on exhibition in the convention headquarters suite of the North British & Mercantile, where he sang songs, told gags and went through his regular routine.

make a uniform ruling on cigarette scorch claims. Where a real loss occurs, most companies will pay. It was stated the companies themselves are not agreed what course to pursue.

One Nebraska agent objected to the rule preventing the attachment of supplemental rider without cancelling the rest of the coverage at short rates. A Kansas agent said in his state a supplemental contract could be written and the old coverage canceled prorata if the supplemental insurance is as much as the original.

## GROUP NO. 2

Norman B. McCulloch of Lancaster, Pa., presided over Group 2. The agenda included the following topics:

1. Methods of remuneration of solicitors, of office employees.
2. Volume production of miscellaneous lines in other than metropolitan areas—automobile insurance, inland and ocean marine lines.
3. Can a life insurance department be profitably operated by a local agency doing a general insurance business? Set-up and development of business.
4. Place of special agents' services in medium size agencies.
5. Company and trade publications.
6. Does it pay to advertise—radio, newspaper and billboard?
7. Apportionment of time between office detail and solicitation by agency executive or manager.
8. Expense of operating an agency excluding payments to solicitors, brokers and other producers.

## Discussion Over Brokerage Business

Mr. McCulloch said in opening the discussion, average commissions on casualty and fire business is approximately 22 percent in Pennsylvania. The only safe yardstick for paying solicitors and brokers is one which will show a fair profit for the agency on the business thus obtained. Whether flat salaries, salaries and commissions or all commission is the plan of remuneration this must not be ignored.

Daniel F. Ancona, Jr., of Reading, Pa., described his agency plan for handling solicitors which brought several questions from the floor. How to prevent solicitors from going into business for themselves was discussed with the conclusion that it cannot be done. One speaker said his agency does not care if solicitors go in business for themselves, permitting them to take their expirations but it is understood no company representation be taken. Most agents require the solicitor to stand loss on bad accounts. Another said they never select a solicitor without looking forward to taking him into the firm eventually.

Points brought out on clerk hire included paying the best salaries among the local offices to prevent turn-over and licensing the clerks and giving them the commission on the strictly personal business they bring in.

## Developing Automobile Business Discussed

Personal solicitation is best for getting automobile insurance. Success in developing prospects by phone was reported, followed up by personal calls.

P. P. DeVan of Charleston, W. Va., stressed the value of the state financial responsibility laws for getting automobile insurance and cited a case where he had secured business on four cars that were being used by a soft-baseball team which was playing games in other states where no insurance had been carried before. This led to much more business with the firm where this team worked, Mr. DeVan added. Increase

business by writing higher limit's on business already on the books was also suggested.

Discussion brought out that fur policies are written in October and also in the spring when furs are being stored; jewelry floaters are written in November, fine arts policies when antique furniture sales are advertised and personal effects insurance is written easily in the spring. Ray E. Fox of Indianapolis reported recently writing a policy for \$100,000 covering legal liability of a public accountant.

The talk by Oscar Beling on office (CONTINUED ON PAGE 30)

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## Uniformity in Law Urged by Palmer

Business Must Decide if It  
Will Provide Legislative  
Program

### REGULATION IMPORTANT

Problems Are National, Illinois Director  
and Head of Commissioners'  
Association, States

The business of insurance must decide for itself whether it will provide a constructive legislative program of its own which will in time achieve a reasonable degree of uniformity, declared Director Palmer of Illinois before the Pittsburgh convention of the National Association of Insurance Agents. Mr. Palmer represented, as its president, the National Association of Insurance Commissioners.

Who is there now in the insurance business who is giving any real thought to how far regulation should go, or may go? he asked. "Certainly there are brains enough," he declared, "and there is courage enough in the business to solve its major problems, to overlook temporary individual advantage, to see what is best for the business as a whole, to look ahead for several years and, if a program of reform legislation is necessary, to help the insurance commissioners put it into effect for the good of the business and the policyholders." The very existence of the National associa-

tion for 40 years is a challenge to the present membership to an ever increasing service to the public and to the business in solving some of the problems heretofore "thumbed on muted strings."

Mr. Palmer suggested that the association could, either alone or in collaboration with company organizations, establish a research department for the purpose of preparing the history of insurance regulation laws in the United States. The whole trend of modern thought is toward efficiency. Insurance men today must be efficient, or they must get out. There is only one way, he said, that propaganda against the business can be met effectively and finally and that is by conducting it properly, convincing the people that the state could not do it any fairer, safer or better.

### Commissioner Should Know Law of Other States

Mr. Palmer declared that many problems facing agents are not of as local a nature as they might think. In every state there is a constant volume of insurance legislation, and not only the insurance department but agents and companies must be on the alert to keep in touch with regulations. It is no longer possible to be familiar with only the laws of one's own state. An insurance commissioner, particularly, should thoroughly understand laws of other states in which his own companies have agents doing business. He should realize that while there are many local problems, the business is of such national scope that he should constantly strive to secure uniform laws and rulings.

He said that one trouble perhaps has been "too much interpretation." A department ruling should never be asked for or granted to fit a particular case. Too often, he said, rulings are the result of what someone connected with the business may have considered a very harmless inquiry.

He pointed out that department rulings have the effect of law. Before promulgation, all sides should have a chance

to be heard. Once the ruling has been made public, it is practically impossible to get a revision of it, or even a rehearing and argument on it. Furthermore, the interpretation of a ruling may vary considerably. Any two men are apt to read a different meaning in the word, and where one may have a grievance and the other no comprehensive grasp of trade names and practices in the business, the result of their interpretation of even a simple statute may be disastrous. This does not hold true with important questions, but more especially to the lesser rulings which appear harmless but which have a far reaching effect when applied to insurance as a whole.

### Care Should Be Taken to Have Ruling Correctly Stated

Questions do arise, he agreed, which should be answered, but in this age of specialization he urged that they be asked and the correct solution advocated by those acquainted with similar laws and conditions before other departments. Whenever a ruling is made it receives wide publicity and therefore it is essential that it be correct at the start, for what one state officer has done another is very likely to do. Consequently, he urged agents to take a broader view of their problems, for while many of them may be local in character, the real issues are of nation-wide concern.

Mr. Palmer paid high tribute to the work of the National association in promoting harmony in agency ranks and the business in general. When trouble arises anywhere in any state, the association acts as a peacemaker. Of course, where local maladies are not cured, many victims seek legislative relief. However, he pointed out, the association can be of great value to the business in preventing these petty grievances from "finding expression on the statute books."

William Deans of the general agency of Selbach & Deans, San Francisco, attended the convention.

## BULLETIN

### H. S. Ives Resigns From the Casualty Executives Group

Henry Swift Ives, special counsel of the Association of Casualty & Surety Executives since its organization in 1929, has resigned to become associated with the Public Affairs Council, 41 East 42nd street, New York City. The Public Affairs Council is a non-partisan organization established for the purpose of promoting economic education, particularly in reference to taxation as it affects both employers and employees.

### Convention Notes

The Royal-L. & L. & G. people had headquarters as usual and presented their useful memorandum pads. Manager Harold Warner was personal host at a large party just previous to the get-together dinner.

\* \* \*

Herbert Cobb Stebbins, well known general agent of Denver, suffered an attack of sciatica which floored him and forced him to remain in bed. A physician was called. Mrs. Stebbins was at the convention.

\* \* \*

Manager C. F. Thomas of the Western Underwriters Association was at this year's meeting.

\* \* \*

H. E. Briggs of Seattle, chairman executive committee, and Irwin Mesher, executive secretary Washington Insurance Agents League, represented their organization.

\* \* \*

Daniel F. Ancona, Reading, Pa., won the attendance prize at the opening session.

\* \* \*

John J. Fisher, Cincinnati local agent, won the attendance prize at the get-together dinner, a painting.

# THE FORGE OF TIME

From out the forge of time comes strength in organizations which weather the test.

The National Association of Insurance Agents, celebrating its fortieth anniversary, and having the largest membership in its history, is an outstanding example of an organization which has lived, persisted and grown stronger in the forge of time.

Our congratulations to its officers and members.

We take pride in the fact that next year our own company marks its thirtieth anniversary and that down through the years it has developed a country-wide organization of seasoned experience, serving an ever increasing clientele with certainty and satisfaction.

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## Outside Speakers Featured Thursday Morning Session

### ERNEST PALMER IN A BIG HIT

Prof. Blanchard of Columbia and A. M. Schmidt of Risk Research Institute on the Program

The Thursday morning session opened with the report of the accident prevention committee presented by Col. Frederick Hickman of Atlantic City. He declared there must be concern and real interest before results can be recorded in reducing accidents.

Company organizations were again on the program with felicitations. C. A. Bickerstaff of Atlanta, manager Firemans Fund, president Southeastern Underwriters Association, stated his organization was established in 1882. It was the first company organization to appoint a conference committee to deal with agents, that being in 1919. It also was the first body to adopt schedule rating.

### Insurance Buyers Were Represented

A. F. Powrie of Chicago, manager Fire Association, president Western Underwriters Association, spoke for his organization. President Bair stated that many of the company leaders began their careers as local agents. Mr. Powrie said that sticking together for 40 years always brings results. Company organizations, he declared, might well evaluate and restate their fundamental principles. There is a ground where both agents and companies have their own special field but there is middle ground where they should work in harmony and unity.

A. M. Schmidt of New York City, in-

## Business Development Director a Speaker



F. S. DAUWALTER, New York City

F. S. Dauwalter, director of the Business Development Office of New York City, a joint enterprise of the National Association of Insurance Agents and the Insurance Executives Association, told about the operations of that body.

insurance manager Johns-Manville Co., and president Risk Research Institute, spoke from the standpoint of the insurance buyers. His organization was recently established. Buyer groups are growing rapidly. In the speaker's opinion, it is advantageous to have these sectional bodies guided by a national body. His institute aims to acquaint in-

surance buyers with some of the functions of insurance and its uses. His organization advocates the elimination of the unqualified agent.

Secretary John Goetz of the Institute was presented to the audience by President Bair.

Dr. R. H. Blanchard, professor of insurance at Columbia, is a director of the Risk Research Institute and is president of the Association of University Insurance Teachers. He was on the program and spoke from the long range point of view. Constant adjustment to changes is highly necessary, he said.

President Ernest Palmer of the National Association of Insurance Commissioners and Illinois insurance director had no subject. President Bair in his introduction said that Mr. Palmer had no need of a subject. In speaking of the theme of the meeting, "Life Begins at 40," he paraphrased it by saying "After 40 Life Begins at Breakfast." The speaker as usual interspersed wisdom and philosophic observations with apt anecdotes and witticisms. He cautioned insurance men against asking a state department for so many rulings, for some of them may be embarrassing. There was a large exodus after Mr. Palmer spoke, proving that many remained to hear his talk.

After a morning of outside speakers, President Bair led his flock back to the agency pasture. W. Herbert Stewart of Chicago, chairman surety committee, gave a survey of the business. In 40 years the surety class has grown from infancy. He dwelt on the reduction in commissions on large contract bonds in order to arrive at a lower rate. The companies, he contended are thrusting the whole burden on the agents, as he stated the former are contributing nothing in the reduction granted on these big undertakings. He said a conference has been arranged for next week at White Sulphur Springs with the companies on this subject.

## Features of the Theater Party Wednesday Night

Fred J. Lewis of Milwaukee acted as master of ceremonies at the theater party Wednesday evening. The big hit was a one act play sponsored by the Western Underwriters Association and "Insurance Field."

The title was "Logic in Action" and it is designed to bring out arguments for stock insurance. The main character "Geo. W. Graham" was taken by Roy L. Nicholson of Milwaukee, state agent of the Michigan F. & M., who is a local agent of 35 years standing. His partner, several years younger, "Peter Denton" was played by Freeman Guerin of the A. L. Grootemaat agency of Milwaukee. "Frank Parks," owner of a department store, was represented by R. R. Elsner of R. R. Elsner Agency of Milwaukee. "Larry Parks," his son, given to streamlining and "modern" methods was T. Z. Clayton of George H. Russell Co., of Milwaukee. The stage manager was R. L. Martin of Kraemers-Martin Agency of Milwaukee. Mr. Nicholson directed the play.

The Adolph Zukor film "And Sudden Death" was shown, it being sponsored by the National Bureau of Casualty & Surety Underwriters. A one reel silent picture "The Keystone" was run. Produced by the National Board this picture depicts the never-changing principles of insurance in its indispensable relation to business—from the time of the ancient Egyptians, through the great London fire of 1666, up to the present. A spectacular scene shows the burning of San Francisco.

The "Municipal Salvage Man," a sound picture in two reels was also given. This picture was produced by the National Board and International Association of Fire Chiefs in Los Angeles. It shows the complete operation of modern salvage work.

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Our tall men, whose eyes see over the shoulders of the crowd, years ago recognized the need for a generous, informal outlook in business. This is among our principal assets. It is the basis of our agency franchise. It is the policy in back of our claim department.

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"Can you blame me for being grateful to the *one man* who kept at me until he convinced me my old policy wasn't enough? Thanks to him, I bought a policy that covers every motoring hazard—fire, theft, flood, windstorm, collision and a raft of other things, *including property damage and public liability*. My old pol-

icy would have left me in an awful fix. This new one foots the bill to the last cent. A car owner is a chump, Bob, not to protect himself with *\*Combination Comprehensive All-Risk Coverage!*"

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## Features of the Session on Wednesday Afternoon

At Wednesday afternoon's session following the reading of the report of the conference committee on production branch offices by W. Owen Wilson, there were more greetings from company associations.

R. P. Barbour, manager Northern Assurance, as president of the Eastern Underwriters Association, 10 years old in October, spoke for his organization. It preceded the Eastern Union started in 1893. His observations on commissions were especially illuminating. No important step is taken by company organizations without considering the agents, he said.

### Director Dauwalter Tells of the New Movement

H. A. Clark of Chicago, western manager Firemen's group and president Western Insurance Bureau, brought greetings from his institution. It seemed peculiarly fitting that an official of the Firemen's should appear on the platform inasmuch as just six months ago the long feud between his group and the National Association was healed and hands were clasped in good fellowship. President Cooney of the Firemen's appeared at the Atlanta meeting and assured the members that his group subscribed to the National agency platform.

F. S. Dauwalter, director of the Business Development Office, told of the work of this joint enterprise. He started as a local agent, did work as a field man, was head of a farm department and later was a general office underwriter. He thus has had long experience.

Before Mr. Dauwalter spoke, a mechanical man "Willie Vocalite" was pre-

sented by courtesy of the North British & Mercantile. W. J. Traynor, N. B. & M. advertising head, initiated the feature. Willie gave a talk on stock company insurance and dangers confronting it which was identical with the address given by the president of New England Insurance Exchange Jan. 3, 1885.

"Willie Vocalite" weighed 350 pounds and the entire equipment over 1,000 pounds. He had a professional companion who guided his steps.

Mr. Dauwalter said his enterprise would use new arguments and blaze new trails.

Mr. Dauwalter gave a background of the defense of stock insurance his office has prepared.

The American Association of Insurance General Agents was presented by President W. L. Braerton of Denver. It was fitting that a Denverite should be on the program inasmuch as R. S. Brannen of that city was the first National association secretary and he more than other was the founding father. Another Denver man, C. F. Wilson, co-operated with Mr. Brannen in the early days of the organization and was elected president in 1906.

J. A. Beha, former New York insurance superintendent and now general manager National Bureau of Casualty & Surety Underwriters, told of the growth of casualty insurance during the last 40 years. That branch has far outstripped the fire companies although in 1896, the latter group's premiums were 10 times those of the casualty. The Bureau of Liability Insurance Statistics was started in 1896, it being the first organization of casualty companies, they writ-

### Casualty Speaker



**JAMES A. BEHA, New York City  
General Manager National Bureau of  
Casualty & Surety Underwriters**

ing employers liability insurance. President Bair read the report of the conference committee on financed automobile insurance. The companies said that they were willing to consider any more satisfactory plan that may be presented. Parity of operating cost is a paramount issue. The report said the association insists on finance business be written by bonafide agents.

The association went into executive session to discuss the report of the special committee on constitutional revisions. It was read by John K. Boyce, Amarillo, Tex., its chairman and was unanimously adopted.

## Agent Must Keep Posted on Trends

Should Take Initiative in Introducing New and Useful Practices

### CONSTANT CHANGE VITAL

**Dr. Ralph H. Blanchard of Columbia  
University Urges Modernization  
of Methods**

Agents were urged to keep well posted on what is going to happen, whether they approve it or not, and to adjust their business to changing conditions by taking the initiative in introducing new and more useful practices, by Dr. Ralph H. Blanchard, insurance professor of Columbia University, who addressed the National Association of Insurance Agents at Pittsburgh. If insurance is to maintain its high place in the economic scheme, he said, it must constantly accommodate itself to changing times.

### Cites Legal Restrictions, Traditions and Standpatism

He agreed that in doing so, however, the business is hampered by legal restrictions, traditions and sometimes by a tendency to oppose change as such. "It seems to me that in many quarters there is a feeling that the insurance business has certain vested rights in continuance of things as they are. But in-

(CONTINUED ON PAGE 34)

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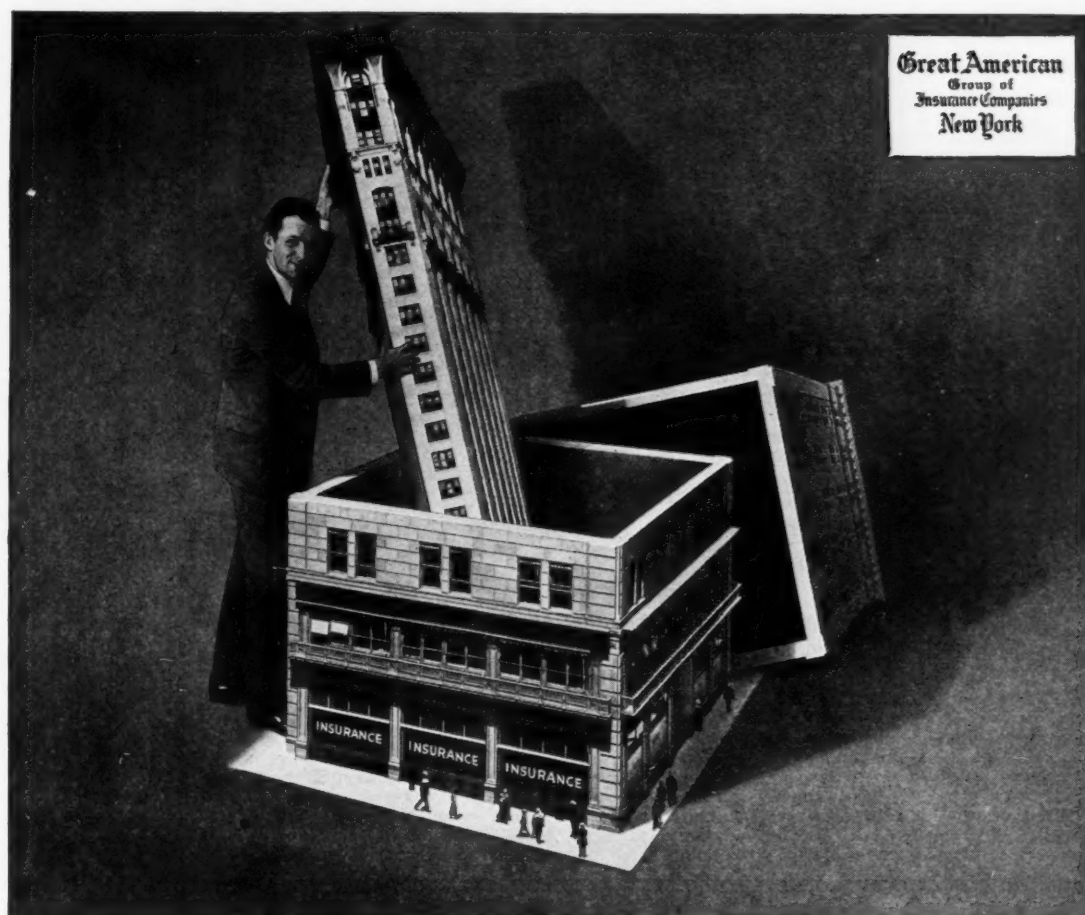
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## W. H. Stewart Hits Commission Cuts

Many Reductions on Surety Bonds Have Reduced Income of Agents

### ATTACKS TOWNER BUREAU

Companies Unfair, Chicago Expert Charges; Conference to Be Held Next Week

Reduction of commission on large contract bonds and other reductions due to threatened government or state funds and to company or branch office competition, was roundly scored by W. H. Stewart, of Stewart, Keator, Kessberger & Lederer, Chicago, before the Pittsburgh convention of the National Association of Insurance Agents. In Mr. Stewart's address, which was one of the high lights of the convention, he took occasion to pay his respects to companies and the Towner Rating Bureau, whose attitude, he said, is responsible for the present situation facing the agents.

Mr. Stewart declared the reduced income on surety business is particularly galling to the agents because during the past 40 years, in which the business has had its greatest growth, companies have depended almost entirely on their agents for this development. Creation of the Conference on Acquisition and Field Supervision Cost for fidelity and surety

business was an effort by the companies to stabilize commissions to agents. However, it has not been generally successful, either for companies or agents.

The method of handling the commission reduction on large contract bonds on government projects came in for some particularly bitter criticism on the part of Mr. Stewart. Commission on this class of business was reduced to 12½ percent by the Acquisition Cost Conference, on business rated by the Towner Rating Bureau. However, while agents attending those conferences at which the matter was discussed, agreed as an emergency measure to contribute their share in lowering the net cost of surety bonds, the agreement was to apply only to contracts of \$2,500,000 and over let by the government up to Dec. 31, 1933, with the distinct understanding that no precedent was created. Contrary to this agreement, however, Mr. Stewart declared that since 1933 the Towner Rating Bureau has continued to rate all large contract bonds of this size and over without any further meeting between the acquisition conference and any committee of the agents.

#### Intention to Have Both Make Some Sacrifice

Mr. Stewart pointed out it was the agents' intention that both agent and company would make some sacrifice. This, he said, was also the intention of the federal government. It was never the intention of agents that companies should receive the same net premium at the special rate with special acquisition commissions, as they were receiving under full manual rate with full acquisition commissions, and in many instances in excess of what they would have received at standard rates with full acquisition. Now, under the present set-up, he charged that agents are assuming the entire burden and are contributing out of their commission the entire reduction in rates to the contractor. The companies are contributing nothing.

If both agents and companies contrib-

## Surety Speaker



W. HERBERT STEWART, Chicago

uted their share to the reduction, the agents would be entitled to a commission of approximately 20 percent, and companies would take only a very slight reduction in their net premiums. For instance, on a \$2,500,000 contract, under the special rate the agent receives \$3,750 in commission and the company \$26,250 in premiums. Under the standard rate, the company would receive an identical premium, but the agent would receive the full acquisition commission of \$11,250. The company, therefore, would receive the same net premium in either event, whereas under the special rate the agent is contributing \$7,500 and the company nothing. If both company and agent bore the burden, the agent would

contribute \$5,250 and the company \$2,250, which would be more equitable.

Mr. Stewart attacked the practice of companies reducing the agent's commission without giving him a voice in the matter. Surety rates, he pointed out, are largely based on charges for service rendered, plus an expectation of loss dependent on the obligation to be performed, but in the final analysis the experience largely controls the rate. Neither the Towner Rating Bureau nor the companies, he declared, can produce any figures that will show a loss ratio on bonds in this class written since 1933 that would not justify the companies in making the contribution that has been requested by agents. These large contracts are usually let to the most responsible contractor, with the chances of loss not as great as on bonds on less responsible risks. While it might be true that the agent's commission would be fair enough if he handled only these large risks, agents are called upon to handle the "mine run" of the business, and on a large part of it they lose money. This is particularly true with the small court, fidelity and miscellaneous small fidelity bonds.

#### Will Hold Conference at White Sulphur Springs

Mr. Stewart stated the subject is expected to be taken up at a conference at the White Sulphur Springs meeting of the National Association of Casualty & Surety Agents next week. If this conference fails to solve the question, the next step, he said, is to take the matter up with the New York department which has jurisdiction over the Towner Rating Bureau and is said to have jurisdiction over the Acquisition Cost Conference.

Another factor which has resulted in reduced income for the agent, Mr. Stewart said, is due to threatened government or state funds. The very nature of the surety business makes it susceptible to political influence. The threat of either the federal government or various states

## APPLETON & COX, Inc., ATTORNEY

8 SOUTH WILLIAM STREET  
NEW YORK

### MARINE AND INLAND INSURANCE

#### REPRESENTING

United States Fire Insurance Company  
Indemnity Marine Assurance Company, Ltd.  
Royal Exchange Assurance  
Tokio Marine and Fire Insurance Company, Ltd.  
Western Assurance Company

Fire Association of Philadelphia  
North River Insurance Company  
Agricultural Insurance Company  
Westchester Fire Insurance Company  
Seaboard Fire and Marine Insurance Co.

#### BRANCH OFFICES AND GENERAL AGENTS

Atlanta,  
Appleton & Cox, Inc.,  
10 Pryor Street.

Chicago,  
Appleton & Cox, Inc.,  
Insurance Exchange Building.

Boston,  
Appleton & Cox, Inc.,  
141 Milk Street.

Columbus  
Appleton & Cox, Inc.,  
3130 A. I. U. Building

San Francisco,  
Pacific Marine Insurance Agency, Inc.  
114 Sansome Street.

Dallas,  
Frank Rimmer, General Agent,  
Kirby Building.

Detroit,  
Appleton & Cox, Inc.,  
National Bank Building.

New Orleans,  
Geo. S. Kausler, Ltd., General Agents,  
Hibernia Bank Bldg.

Kansas City  
Appleton & Cox, Inc.,  
916 Walnut St. Building

LOSSES SETTLED PROMPTLY IN ALL PRINCIPAL CITIES OF THE WORLD

# MY FORTY YEARS

1896

A Parallel with the National Association  
of Insurance Agents

1936

The story of an agent.

by Wm. B. Joyce

40 YEARS AGO I was agent at St. Paul for the National Surety Company of Missouri, having started in the surety business in 1891 as agent for the Missouri, Kansas & Texas Trust Company of Kansas City, which operated a surety bond department, and which business was taken over by the National Surety Company of Missouri in 1893. The "pickings" were small, because the public was then not corporate surety conscious. It was a long, hard pull to popularize the business in the Northwestern Territory, but, in course of time, slowly but surely, the business of my agency increased to more than \$500,000 per annum in later years.

39 YEARS AGO, (July, 1897) the National Surety Company of New York was organized to acquire the business of the National Surety Company of Missouri.

37 YEARS AGO, (1899) I organized Joyce & Co. of Illinois as General Agents for the National Surety Company (still operating) and developed Illinois, Iowa and Wisconsin from Chicago, in addition to the territory Wm. B. Joyce & Co. controlled from St. Paul. We wrote nearly \$1,000,000 annually in later years.

31 YEARS AGO, I created the "Position" form of bond, first for use with Fraternal Orders.

30 YEARS AGO, because the New York Company had gotten into financial difficulties I was invited to become its President. Its premium income in the previous year was around \$880,000. Before I finished the hard, arduous job of making the public corporate surety conscious, the premium of the National reached the large sum of more than \$17,000,000 and the Company became the largest, best known and most popular surety company, in America. I ascribe its great development to having made it an "Agents' Company." Wherever possible I appointed officers who had experience in the field.

28 YEARS AGO, when Theodore Roosevelt was President, and because conditions in the Surety World were so chaotic, I induced the Federal Government to regulate surety companies through the Treasury Department, and I, personally, drew the first regulation which was the first act in stabilization of the business. I then delivered an unusual address to the insurance commissioners in convention at Washington, D. C.—in effect demanded that the commissioners make closer examinations of, and regulate all surety companies thoroughly. This caused stabilization of the business through the organization of the Surety Association of America and Towner Rating Bureau. The informed know the great success which followed for all surety companies.

22 YEARS AGO, I created a new form of a Forged Instrument Bond, now commonly known as Forgery Bonds, which was the direct result of enormous losses caused to banking institutions because of forged bills of lading for cotton in the South. For years the National was the only company featuring the new form but, finally, all companies followed, and I estimate 4,000,000 Forgery Bonds have been sold. Later, because I found there were so few "prospects" for Fidelity Bonds compared with fire and other popular classes of insurance, I created the Fraud Bond, so that practically every storekeeper in every line of business everywhere was a potential buyer. The National Surety for a long time was the only company which wrote the business. Finally other companies followed suit. I estimate 5,000,000 of such Fraud Bonds have been sold to merchants in this country.

21 YEARS AGO, because Lloyd's of London were building up a tremendous business in America with Banking Institutions and Stock Exchange firms, I caused legislation to be passed by the New York Legislature and created a new Bankers and Brokers Blanket Bond to be written by American companies, without any aid from other surety companies. I, personally, drew and the National only, wrote the first form of bond. Subsequently, after a long wait, other companies went into the field.

I estimate premiums received by all companies from these three coverages I created aggregate from \$250,000,000 to \$300,000,000, and their profits are estimated at over \$100,000,000. Now, all companies are fighting for the business.

DURING the last ten years, according to the records of the Insurance Department of the State of New York, surety companies received \$154,195,289 in premiums from Bankers and Brokers Blanket Bonds alone. At 15% producers received \$23,129,000 in commissions and over \$30,000,000 for the period the bonds have been written.

**I ESTIMATE THAT PRODUCERS OF ALL KINDS HAVE RECEIVED COMMISSIONS IN EXCESS OF \$50,000,000 FROM BLANKET, FRAUD AND FORGERY BONDS.**

3 YEARS AGO, the old National suffered heavily because of advances made to certain mortgage companies whose issues it guaranteed, plus enormous losses on account of bank depository bonds,—the climax being when the "Michigan Bank Holiday" was declared in February, 1933, and because the company had depository bond exposures on most of all important banks in Michigan, aggregating between \$5,000,000 and \$6,000,000, it was made the basis of the most destructive, devastating, wicked rumors, actively and widely disseminated, nationwide, originating in the New York City insurance district, which caused cancellation of thousands of bonds from every part of the country, necessitating return of enormous unearned premiums in cash, and temporarily destroying the morale of many of our field associates. Our premium income from new business and renewals almost stopped, while heavy losses, judgments and expenses were piling up.

Realizing the grave situation, and to save from a major disaster many thousand agents, home office employees, and an estimated 300,000 policyholders, I decided upon a drastic step. I conceived the idea of creating a new company out of the "ashes" of the old National, in a way never before attempted.

I inaugurated the new company, which was successful from the day I opened its doors, and has continued most successful up to this very day. When the old company turned over the premium accounts to the new National there was approximately \$13,000,000 of live premiums in force on its books on an annual basis, and \$16,000,000 of term premiums. Because of old loyal agents of the old National, the new Corporation has written around \$9,000,000 each year since its organization. These agents are the backbone of the new Corporation, and I am proud of them!

I became Chairman of the new board and later, at my request, became Pacific Coast Manager, and with a clear record voluntarily resigned both positions, completely severing myself from my life's work for personal reasons, but I did not "run out" on my agents!

12 MONTHS AGO, my associates (Nasurco) made an offer for the National Surety Corporation stock. Acceptance was recommended by Superintendent of Insurance Louis H. Pink and the Insurance Board, but with conditions we reluctantly were unwilling to accept.

Thank you one and all for your loyal support all these happy and hectic years!

WM. B. JOYCE.

to establish indemnity funds to replace surety bonds has resulted in reduced rates in various sections which, as a result, have reduced the agent's income. However, in granting any rate reduction, Mr. Stewart declared the loss of commissions on the reduced rate is sufficient without placing an additional burden on the agent by reducing his commission also.

He called attention to the bill in Congress, which failed because it seemed impractical, but which would have empowered the secretary of the treasury to secure a blanket bond covering all officials and employees of the government. This would have centralized the

bonds in Washington and deprived local agents of their commissions on business which amounted to annual premiums of over \$3,000,000 on 200,000 bonds.

Company or branch office competition, Mr. Stewart declared, is another factor responsible for reduced income. In the early days, he said, the surety business grew under the American agency system and it was the agents who did the missionary work of educating the public. Branch offices were hardly known outside of New York and Chicago, but this system has grown so that today practically every company has branch offices in the larger cities. Such offices are in position to appoint more agents to whom

top commissions can be paid, and these appointments are often made irrespective of qualification, and with no regard of offering any service to justify the commission. Likewise, he said, the brokerage business began to go to branch offices instead of through agents who had spent money and a lifetime in development of business for companies.

Companies, therefore, became direct competitors of their own agents and this competition has resulted in a sizable reduction in the agent's commission income. "There is no question," he declared, "but that the qualified agent is in better position to service his surety bond clients than companies or branch

offices. There has grown up, however, the thought of some buyers that they can do better by dealing direct with the company. This has been fostered by some companies in developing this direct business by salaried employees and other direct contacts with buyers. While companies will generally deny that they write direct business through their company or branch offices, it is my opinion that during the year a large amount is written on which no commission is paid to any agent. It is necessary for each of us to take an interest in these matters. It is absolutely essential that we act in concert to defend ourselves against the double peril of breach of our contract, and impairment of our income."

## THE AVERAGE MAN



loves all children



is good to his family

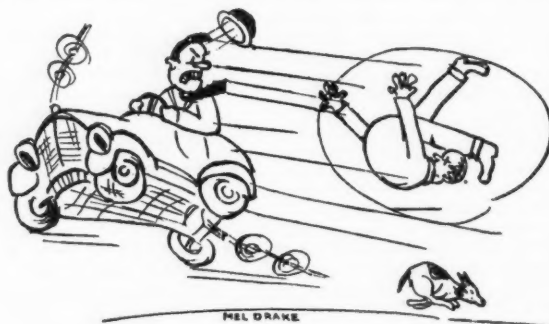


is kind to dumb animals



taken all

in all he's a pretty good sort



**BUT!** How he changes the minute he steps into his automobile!!

CO NTRIBUTED BY OUR ST. LOUIS, MO., GENERAL AGENT—JAMES B. HILL

**THE WESTERN CASUALTY & SURETY COMPANY**  
**THE WESTERN FIRE INSURANCE COMPANY**

HOME OFFICE: FORT SCOTT, KANSAS

RAY B. DUBOC, PRESIDENT



## R. A. Corroon Optimistic in Business Comment

The next two or three years are certain to bring a full measure of business activity and general prosperity. This condition is inevitable, irrespective of the election next month, R. A. Corroon, president of Corroon & Reynolds, observed at a dinner given for a large group of prominent agents and other insurance people at the Duquesne Club Wednesday evening. Citing the experience of the Corroon & Reynolds companies he reported that in round figures the group's assets are now \$35,000,000 and surplus has increased to \$20,000,000, an increase of over \$3,000,000. Premiums are up 10 percent in the last year, while losses have dropped materially. The group now has an annual payroll of \$1,250,000 and employs 750 persons.

### Note of Optimism Struck by Speaker

A vein of optimism was evident throughout Mr. Corroon's address. He will soon celebrate his 40th anniversary in the business. From numerous sources, Mr. Corroon said, his organization gathers information on general economic conditions. The federal tax problem that is bothering business generally is certain to be met irrespective of the election results. President Roosevelt realizes that the present tax system is unsound. In the event either candidate for the presidency is elected, the tax obstacle will be lessened for business. He has had reports that Roosevelt realizing the fallacy of the present tax system, will employ 25 tax experts to lower the tax base.

Just as was the case in England, a surge upward in new construction of buildings and roads is expected to break the backbone of the depression, Mr. Corroon studiously concluded.

Vice-president E. S. Inglis presided at the dinner and sang a song. Vice-president J. R. Barry sang some Irish songs and told some Irish stories. Other speakers were President C. C. Kohne, Pittsburgh Insurance Agents Association; C. B. H. Loventhal of Nashville, Geo. Brown of Detroit, T. A. Sharp of Rochester, N. Y.; C. V. Watkins of Pittsburgh, Commissioner O. B. Hunt of Pennsylvania and N. A. Weed, special agent Corroon & Reynolds companies in Pittsburgh metropolitan district. Corroon & Reynolds never fail to provide a sumptuous feast. This year's event was particularly notable because of the variety of hors d'oeuvres.

### Directory of the Convention

A few years ago the America Fore inaugurated the custom of printing a book giving all the registrants, recording their home location and hotel address. The book this year comprised 40 pages and cover. The front cover illustrated hazards against which companies insure. It is one of the most useful contributions to these conventions.

C. D. Lasher of Chicago, general manager of the Home group, and former Indiana state agent, gave a luncheon one noon inviting to it those from Indiana.

## THE COMMERCIAL UNION GROUP OF COMPANIES

Understands and is considerate of its many loyal agents and their problems:

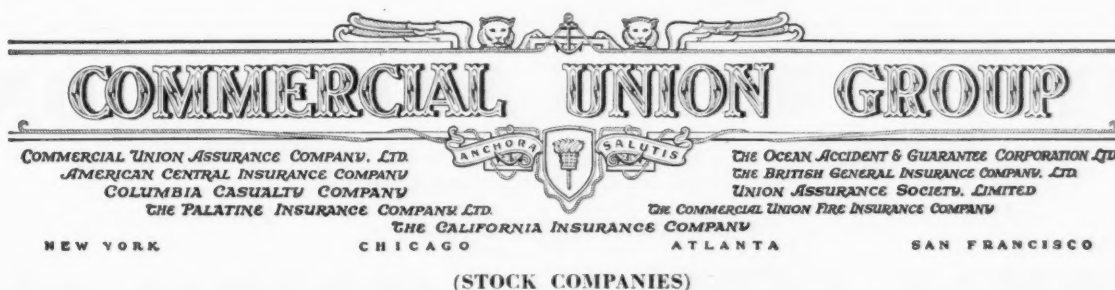
Believes in and supports the American Agency System.

Subscribes and adheres to the rules and regulations of the National and State Local Agents Associations.

Meets all its obligations promptly and has never refused payment of a single legitimate claim.

Is proud of its World-Wide Reputation and Unquestioned Financial Strength.

THE COMMERCIAL UNION GROUP WRITES PRACTICALLY  
ALL LINES OF INSURANCE, EXCEPT LIFE



## Headquarters Attracted the Insurance Visitors

The company headquarters attracted wide attention, they being far more numerous than usual. There were no big banners on the lobby floor but a bulletin board in the lobby and on the convention floor gave full information as to companies and their headquarters.

The Royal-Liverpool group maintained headquarters, with a large staff of home office officials on hand. Upholding the interest of the company were Harold Warner, United States manager; C. A. Nottingham, assistant United States manager; H. C. Conick, assistant manager; M. H. Grannatt, western manager; S. F. Nininger, Middle Department manager; E. W. Hotchkin, western manager; H. F. Forrester, assistant southern manager, and G. C. Peterson, Chicago manager.

The North America headquarters were in charge of John O. Platt, vice-president; John Kremer, vice-president; S. H. Schoch, secretary, all of the fire company, and Benjamin Rush, Jr., vice-president, and Calvin Roberts, general superintendent, of the indemnity company.

J. M. Haines, United States attorney, was in charge of the headquarters of the Phoenix of London. With him were J. R. Robinson, production manager; C. R. Newhouse, general superintendent of underwriting, and Harry Vondrleith, general agent.

The Corroon & Reynolds group maintained large and popular headquarters. R. A. Corroon, president, was the leading attraction, assisted by Vice-presidents J. R. Barry and E. S. Inglis; R. R. Wilde, western manager; H. J. Thomsen, eastern manager; R. J. Kastner, southern manager, and J. A. Corroon, production manager, all of the home office. R. R. Chapman, Pacific Coast manager, journeyed from San Francisco to join the headquarters group.

The Hartford Fire and Hartford Accident were one of the first groups to open headquarters. Present for the fire company were Vice-president C. S. Kremer, and Secretary A. W. Tyrol. The casualty company was represented by Paul Rutherford, vice-president and general manager; F. C. McVicar and A. W. Spaulding, assistant secretaries; F. E. Bradenbaugh, Pittsburgh manager, and W. S. Kite, Philadelphia manager.

The Fidelity & Deposit and American Bonding were represented by J. G.

Yost, first vice-president American Bonding; E. Milton Smith, agency manager F. & D.; J. E. Harlan, manager, and Paul Trimbur, assistant manager, western Pennsylvania; F. X. Connolly, manager, and J. M. Henderson, assistant manager, Philadelphia office.

The Western office of Crum & Forster was represented by F. M. Gund, manager, J. W. Gregory, assistant manager, and W. A. Seely, field superintendent. Harold Junker, vice-president, was on from New York and was accompanied by Joseph Snell, secretary, and A. Ross, assistant secretary. The Chicago office was represented by R. I. Read, manager. Geo. W. Inverzagt, president of the Allemanina, and W. C. Fland, its manager, also welcomed visitors.

The America Fire was represented by B. M. Culver, president; W. E. Dooley, C. W. Pierce and E. A. Henne, vice-presidents; J. Scott King, secretary; F. E. O'Brien, secretary; D. Mott Belcher, manager, and F. S. Ennis, advertising manager. C. J. Lingenfelder, agency superintendent, and Cook County Manager E. B. Vickery were on from Chicago.

The Commercial Union group was in charge of F. W. Koeckert, United States manager; C. F. Rupprecht, assistant United States manager; O. C. Gleiser, secretary, and E. G. Shlirper, manager inland marine department. Ed. Quinn, superintendent of brokerage and service department, and H. W. Miller, secretary Commercial Union auto department, were present.

Newly elected president of the American Casualty, H. G. Evans, arrived at headquarters of his company Wednesday. E. J. Lynch, superintendent of agents, and Earl E. Gagwere, manager of the Pittsburgh service department, greeted guests.

Wilfred Kurth, president of the Home, brought along Vice-presidents H. V. Smith, R. F. Van Vranken, Ivan Escott, Wm. Quaid, M. E. Sprague. Harold Poole, secretary, S. E. Mehrtor, R. E. Minner and Arthur Borg, advertising manager, made up one of the largest delegations attending.

C. F. Shallcross, United States manager of the North British & Mercantile, visited its headquarters the first part of the week, but left Tuesday night. Secretaries J. L. Mylod, R. T. Stewart, S. T. Shotwell, G. H. Duxbury of New York office and I. M. Patterson of Philadelphia greeted visitors at their headquarters. W. J. Travnor, publicity director, was also on hand.

Hal White, superintendent of agents for the Standard Accident, came from the home office to greet guests. Sam Carr, resident vice-president at Philadelphia, and Gilbert S. Hildebrandt, branch man-

ager at Syracuse, were also at company convention headquarters.

**Boston:** I. Lloyd Greene, vice-president; L. Ivison, assistant secretary, and R. C. Dreher, advertising and sales promotion manager, came from the home office.

**Firemen's group** was represented by Archibald Kemp and Herman Ambos, vice-presidents; M. L. Zitzelsberger, assistant secretary, J. Wm. Mindnick, assistant secretary, and Frank O. Venske, agency superintendent, all of Newark. H. A. Clark, vice-president, came from Chicago.

The hosts at Maryland Casualty headquarters were Harry C. Michael, assistant agency director; J. W. Donahue, resident vice-president of Philadelphia; H. D. Hart, manager of the Reading office; K. O. Saunders, manager at Cleveland, and R. H. Furner of Pittsburgh.

There was a large delegation of Fireman's Fund executives. R. V. Goodwin, vice-president; H. F. Legg, assistant vice-president, and H. F. Knobloch, assistant secretary of the liability department, represented the indemnity company. James F. Crafts, assistant manager, came from Boston. Chas. A. Bickstaff, manager of the southeastern department at Atlanta; E. D. Lawson, manager of the western marine department and John McKinney, Atlantic marine department assistant manager.

**Springfield Fire & Marine:** J. C. Harding, executive vice-president, E. G. Frazier, and Grant Bulkley, secretaries, came from Chicago.

**American of Newark** hospitality was dispensed by L. F. Falls, vice-president at the home office; Robe Bird, vice-president and western manager; L. E. Kietzman, assistant secretary from Newark; John McFarland, superintendent of agencies of the western department, and Harold Jackson, president Bankers Indemnity.

As usual, the Zurich was represented by Harry H. Fuller, deputy United States manager, and E. J. Savage, agency superintendent. C. T. Easterby, Philadelphia manager, and Robert Branton, Pittsburgh manager, were also on hand.

**S. P. Rodgers**, vice-president, was in charge of hospitality for the State of Pennsylvania, assisted by Elmer Van Dusen, agency superintendent.

The Pearl headquarters was in charge of Stewart B. Hopps, United States general agent, with Vincent L. Gallagher, western manager at Chicago; P. H. Mell, Philadelphia manager; B. B. Weaver, Pittsburgh manager, and William Carlson, manager at the Cleveland office.

The London Assurance maintained headquarters under Walter Meiss, executive general agent. R. G. Ganner, general agent, and J. W. Mason, advertising counsel, also represented the home office.

**Continental Casualty.**—Roy Tuchbreiter, vice-president and superintendent of agents, Geo. Smith, assistant superin-

### Legislative Committee Chairman in Report



PAYNE H. MIDYETTE, Tallahassee, Fla.

### A. M. Schmidt Favors Single Organization for Buyers

There need be no fear that the insurance buyers' movement has for its purpose the elimination of the producer, declared A. M. Schmidt, insurance manager of Johns-Manville Corporation and president Risk Research Institute, New York, speaking at the Thursday morning session. "However," he said, "we do advocate the elimination of the unqualified producer because we believe he is a menace to both the buyer and the qualified agent, and his presence in the field needlessly increases the cost of insurance."

#### Will Benefit Agents

The interest of buyers and producers are parallel, he said, and the agents have much to gain by supporting an organization such as Risk Research Institute. Inasmuch as the buyer movement is gaining momentum daily, with new groups, principally local, springing up in various parts of the country, the coordination of all buyers in one national unit will benefit both agents and buyers. It is far better, he said, to have a single organization which is

tendent of agents, came from the home office. R. W. Harvey, Ohio field supervisor, and R. H. Ladley also attended.

R. A. Parkinson, secretary of the Agricultural, was accompanied by W. Leslie Lewis, advertising manager, and J. S. Lawton from Watertown.

## SCOTTISH UNION AND NATIONAL

Insurance Company

HARTFORD, CONNECTICUT

J. H. Vreeland, Manager—J. H. McCormick, Secretary

Assets, \$9,501,056.48

Established 1824

Liabilities, \$3,781,392.20

Policy Holders Surplus, \$5,719,664.28

## AMERICAN UNION

Insurance Company

Administrative Offices: HARTFORD CONNECTICUT

J. H. Vreeland, President

Assets, \$3,026,025.38—Liabilities, \$492,592.77

Policy Holders Surplus, \$2,533,432.61

## CENTRAL UNION

Insurance Company

Administrative Offices: HARTFORD CONNECTICUT

J. H. Vreeland, President

Assets, \$1,418,114.55—Liabilities, \$153,148.27

Policy Holders Surplus, \$1,264,966.28

● The Companies of this Group are entirely local agency companies, both in the letter and in spirit observing the principles of the American Agency System. A complete portfolio of lines is written: Fire, Windstorm, Automobile, Sprinkler Leakage, Rents, Use and Occupancy, Inland Marine, and Riot and Civil Commotion.

# UNITED STATES GUARANTEE COMPANY

90 JOHN STREET, NEW YORK, N. Y.

## 93rd SEMI-ANNUAL STATEMENT, JUNE 30, 1936

### ASSETS

United States Government Bonds....	\$ 2,393,935.50
U. S. Gov't. Bonds maturing in 1937..	201,835.97
Dominion of Canada Bonds.....	122,694.54
State and Municipal Bonds.....	701,520.83
Railroad Bonds and Stocks.....	973,149.24
Public Utility Bonds and Stocks....	1,693,557.93
Miscellaneous Bonds and Stocks....	4,322,469.01

Total Bonds and Stocks.....\$10,409,163.02

Cash in Banks.....\$1,523,051.14

Cash in Office..... 12,694.54 1,535,745.68

Premiums, not over three months due 804,413.99

Reinsurance Receivable ..... 43,548.68

Accrued Interest ..... 43,994.10

Other Assets ..... 48,893.96

Total Admitted Assets.....\$12,885,759.43

### LIABILITIES

Reserve for Unearned Premiums....\$ 2,426,221.84

Reserve for Losses and Claims..... 2,508,548.36

Reserve for Loss Adjustment Expense 45,809.56

Reinsurance Reserves ..... 550,715.33

Commissions and Brokerage..... 144,525.88

Federal and State Taxes..... 232,151.33

Accounts Payable ..... 79,449.41

Special Reserve ..... 12,314.32

Voluntary Contingency Reserve..... 500,000.00

6,499,736.03

Capital Paid In.....\$2,000,000.00

Surplus ..... 4,386,023.40

Surplus to Policyholders..... 6,386,023.40

Total Liabilities .....\$12,885,759.43

Bonds and Stocks are valued in accordance with requirements of State of New York Insurance Department.

On the basis of June 30, 1936, market quotations for all bonds and stocks owned, this company's total admitted Assets would be increased by \$294,751.73 and its Surplus by \$307,066.05.

Securities carried at \$793,470.46 in the above statement are deposited as required by law.

### DIRECTORS

A. M. ANDERSON, *J. P. Morgan & Co.* New York

WM. HENRY BARNUM,  
*President, Continental Mortgage Guarantee Co.* New York

HENDON CHUBB, *Chubb & Son* New York

CLINTON H. CRANE,  
*President, St. Joseph Lead Co.* New York

MOREAU DELANO,  
*Brown Brothers Harriman & Co.* New York

EDWARD D. DUFFIELD,  
*President, Prudential Insurance Co.* Newark

WILLIAM A. HAMILTON, Boston

LEE ORTON, New York

JUNIUS L. POWELL, *Chubb & Son* New York

GEORGE H. REANEY, *President* New York

REEVE SCHLEY,  
*Vice-President, Chase National Bank* New York

DANIEL J. TOMPKINS, New York

J. Y. G. WALKER, *Walker Bros.* New York

qualified to speak for all sectional groups.

The institute will be of benefit to agents also because its principal objective is to help insurance buyers educate themselves. Under its program, insurance managers will be trained to measure every risk to which their company is exposed, to eliminate and control hazards as much as possible, to emphasize the necessity of buying insurance from sound underwriting companies and to bring home the advantages of dealing through properly qualified agents.

Such a program, Mr. Schmidt stated, will enlighten the agent's client so that he will not only be easier to work with but will also be far more appreciative of the value of the agent's services. He will be a better customer because, by studying his own insurance requirements, he will find that he needs many forms of coverage he is not now carrying. Mr. Schmidt called attention to the institute's booklet on "hold harmless" clauses, which produced an avalanche of requests for contractual liability coverage of one kind or another. The institute's analysis of the retrospective rating plan, he predicted, will also be widely used by companies and producers. These publications have stimulated buyer consciousness.

#### Revision of Legislation

Mr. Schmidt stated another objective of his organization is to secure necessary revision of various state insurance laws. He pointed out that because these statutes were enacted to protect the buyers, their revision is not likely unless buyers aid in the work and agents will, in the long run, benefit by giving their support.

Turning again to the unqualified agent and broker, he declared the buyer is suffering more from sales resistance to such agents and brokers than resistance to insurance. By promiscuous appointment of unfit representatives, the qualified producer is laboring against a tremendous handicap. If the buyers were better informed they would automatically seek the services of those properly qualified, and this is one of the objectives of the institute. As the buyer becomes better informed, there will be gradual reduction in his demands on legitimate agents and as he finds wider use for insurance, the value of his account will grow.

#### Convention Notes

There is now no dispute as to who are the most continuous conventioners in insurance. Spencer Welton, vice-president Massachusetts Bonding and William Quaid of the Home arrived Sunday and stayed until the sundown gun was fired Friday.

President M. K. Dubach of the Kansas City Association of Insurance Agents had in personal charge John A. Bryant of his city, one of the two surviving founding fathers.

The flowers on the rostrum were presented as usual by the Norwich Union.

## New Officers in the Pilot House

(CONTINUED FROM PAGE 5)

This year, the fortieth anniversary was featured, an inventory of stock was taken, achievements recounted, and plans laid for the future. The program was built with this event in mind. Never was an agency convention graced with the attendance of so many company men and organization officials. It was a fitting recognition of the birthday anniversary.

The new president, Mr. Wilson, is head of the Davenport Insurance Agency of Richmond, Va. He is widely known to field men and organizations throughout the country in his activities as chairman of the executive committee the past year, having spoken at various state association meetings, and having been active in organization activities for many years. He was born in 1882, attending Washington and Lee College, following which he bought into an agency at South Boston, Va., which became known as the Fry, Jordan & Wilson agency. He is the surviving partner and has continued the business.

He served as assistant to John Fry, his one time partner, who was special agent of the Agricultural in Virginia, and he later became special agent of the Rhode Island group with headquarters at New Orleans. He was called to the home office, occupied various positions and eventually became assistant secretary in charge of production. In 1923 he became manager of the insurance department of the Universal Leaf Tobacco Company in Richmond and in 1925 purchased an interest in Davenport & Co. The office is 78 years old and has represented the L. & L. & G. during all that time.

Mr. Wilson served two years on the executive committee of the Virginia association and two years as president. Three years ago he was appointed on the National executive committee and was active in that capacity, being appointed chairman at the Rochester convention last year. In 1934 he took an active interest in various governmental enterprises at Washington which involved insurance. He spent considerable time there and rendered valuable service to the National association in that respect.

Mr. Liscomb was born at Menasha, Wis., Nov. 25, 1888. His family moved to Superior, Wis., and then to Aitkin, Minn., where he graduated from high school. He then located in Virginia, Minn., going in the office of an iron mining company. Later he became casualty claim adjuster in the office of the Duluth legal firm of Washburn, Bailey & Mitchell. In 1920 he purchased an interest in the Arthur M. Michaud agency and the name was changed to Michaud-Liscomb. In 1928 he bought the interest of his partner and the agency is now the Charles F. Liscomb Co. In 1916 he

married Miss Eleanor Reichert of Duluth. There are two children, Barbara, a freshman at Carleton College of Northfield, Minn., and Charles, a freshman in the Duluth High school. Mr. Liscomb served as president of the Duluth Underwriters Association and in 1930 was made president of the Minnesota Association of Insurance Agents. He became a member of the National association executive committee three years ago.

#### Reports of 6 Heads of Group Sessions Given

At the opening of the session Friday there were reports on the local board conferences. A. V. Livingston, Englewood, N. J., spoke for the smaller city group. W. P. Welsh, Pasadena, Cal., gave the report for Group Two. Group Three was represented by Theodore Safford, Cincinnati. All three were group chairmen.

The group sessions in agency management and operation were reported by John J. Roe, Jr., Patchogue, N. Y., for No. 1; N. B. McCulloch, Lancaster, Pa., for No. 2, and L. C. Hilgemann, Milwaukee, for No. 3.

Secretary Bennett read the fire prevention committee report. The recommendation was that there should be more coordination among the various enterprises sponsoring fire prevention. The convention adopted the recommendation.

H. T. Stock, Detroit, presented the report of the committee on publicity and education. He spoke largely from a personal standpoint. He advocated more and greater facilities for training those in the business anxious to improve.

W. B. Calhoun, Milwaukee, chairman committee on resolutions, submitted its report. A delegate desired some action taken to protest against the government taking on crop or any other form of insurance, but nothing was done.

#### Oklahoma, California, New Jersey and Ohio Win Cups

The Des Moines attendance cup was won by Ohio with 55 members registered. Theodore Safford accepted. The membership cup was awarded to Oklahoma. E. W. Clarke, Oklahoma City, state president, received the trophy.

The mileage cup, as usual, went to California with its large delegation. Eugene Battles, California, received the Detroit cup. New Jersey won the Sparlin cup, awarded to that association which has rendered the most outstanding service to the American agency system. E. M. Schmultz, Ridgewood, N. J., received the trophy.

The awarding of the Woodworth trophy to Allan I. Wolff of Chicago brought prolonged applause. President Bair's tribute to Mr. Wolff was a masterpiece. Mr. Wolff's office, he said, has really become a branch service office of

the National association. He is often called to the colors.

Mr. Schmultz gave credit to Stanley Stults, Hightstown, N. J., for making the arrangement with the banking and insurance department for handling insurance on property owned by failed banks or those in hands of the state conservators.

Past President G. D. Markham of St. Louis, following the awarding of the Woodworth memorial to Mr. Wolff, spoke in high terms of Mr. Woodworth, one of the founding fathers and the second president, a man of exalted character whose service to the organization was invaluable. Mr. Markham was chairman of the committee that initiated the Woodworth memorial and told the purpose and its organization.

Stanley Stults, nominating committee chairman, reported, putting W. Owen Wilson in nomination for president and C. F. Liscomb for executive committee chairman.

#### Wilson Was Escorted by Donald Hancock

Donald Hancock, Richmond, Va., escorted his fellow townsman, Mr. Wilson, to the platform, and E. J. Cole, Fall River, Mass., brought Mrs. Wilson to the front.

Sidney O. Smith, Gainesville, Ga., and F. T. Priest, Wichita, escorted Mr. Liscomb to the rostrum, while W. E. Harrington, Atlanta, took Mrs. Liscomb to the front. President Bair handed the gavel over to his successor. Mr. Wilson had prepared an acceptance address which he read with profound feeling. Mr. Liscomb spoke a few words following his presentation.

H. E. McKelvey, Pittsburgh, was delegated the pleasant duty of making the presentation of a gift—a silver coffee and tea set with platter—to the retiring president and his wife.

Mr. Bair with very deep emotion spoke his farewell, saying that his greatest achievement was in overcoming Mr. Wilson's decision to retire from the executive committee at the Grand Rapids meeting.

H. C. Arnall, Newnan, Ga., won the attendance prize at the closing session. Mr. Calhoun spoke in tribute to the hospitable entertainment of the Pittsburgh agents.

Registrations totaled 1,250.

#### Far West Conference Starts

During the week, agents from the Pacific Coast states held a meeting and voted to form the Far West Conference with E. R. Pickett of Sacramento, Cal., chairman. The states in the organization are California, Washington, Oregon, Idaho, Montana, Arizona, New Mexico and Nevada. The state presidents are the official members.

Some of the ardent golfing friends of President Kenneth H. Bair of Greensburg, Pa., 30 miles distant, accepted an invitation to try his course a few days before the gathering.

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## AGENT MANAGEMENT-OPERATION MEETS

(CONTINUED FROM PAGE 10)

management brought out many questions. Points developed by discussion were that having agency books regularly audited is good; about 50 percent of the agencies represented carry fidelity bonds on their employees; a few carry insurance on accounts; amortization of purchase price of another agency which may be bought; that the agency which has \$250,000 of premiums in average amounts can use bookkeeping machines profitably.

Chas. E. H. Loventhal of Nashville, Tenn., who writes a large volume of life insurance finds that it helps get fire and casualty lines and while the fire and casualty business furnishes leads for life insurance. Several speakers reported good results in writing life insurance while others had tried it at a loss.

The help of field men in surveying risks was highly commended and instances quoted where business had been obtained through this source.

The value of company publications and trade papers was discussed and acknowledged.

### Billboard Advertising Was Discussed

Radio advertising had been used by only two or three agencies but with unfavorable results as to producing new business.

Newspaper advertising is used by 50 percent of agencies represented, with satisfactory results in most cases.

A few agencies have used billboards. One agency found that, in a women's club where billboard advertising was discussed, 72 percent of the women who spoke against billboards were clients of the agency—"out of the window" was the agency's verdict on billboards immediately.

Direct mail advertising is bringing

good results for the agencies that use it systematically and intelligently according to speakers on this topic. "We wouldn't do without it," said one speaker. The addressograph plates are used by this agency for other office routine mailing.

One agency has a moving picture camera with which pictures of local events are taken. The films are loaned to local moving picture theaters which run these free with the agency trade mark at the end.

Blotters, calendars and special bills for scattering at a fire were favorably mentioned.

Put to a vote, the group voted practically unanimously in favor of the present plan of group separation for discussion of agency problems. The sentiment strongly favored giving more time to group meetings on the convention program.

### GROUP NO 3

Discussion at the third group involved accounting methods, brokerage business and handling of solicitors, surveys and engineering service, handling of small renewal premiums and line card records. The theme, as expressed by the chairman, L. C. Hilgemann of Milwaukee, was that many agents have made a fetish out of volume, without knowing whether they are making a profit or not.

The principal reaction to Mr. Beling's talk was that the average cost of handling a small policy is too high for the agent to make a profit. Renewal by certificate was discussed and the unanimous opinion was that the National association should be urged to take up this matter with the different company supervising associations and urge its au-

thorization on household furniture business. The \$1 service charge of the Chicago Board came in for a good deal of attention.

Brokerage business was generally reported as unprofitable, except where a very large office can keep the average overhead down to a profitable point. The majority of offices represented compensate solicitors on a straight commission basis, only well established solicitors getting drawing accounts. Some offices favored fewer solicitors and those on salary. Where good men can be secured on this basis, it was declared, the control a salary gives the agency over the solicitor is valuable. The suggestion was made that the agency retain part of the commission when the firm aids a commission solicitor in selling or servicing a risk.

### All Offices Use Some Kind of Survey

Every office represented uses surveys in one form or another. Most of those present favored their own forms or those secured from independent houses. Company forms were criticised on the ground that they give undue prominence to the lines the particular company writes or pushes. Although some of the offices have had to reduce or eliminate their engineering service during the depression, all agreed that this service is essential to protect existing lines and to acquire new ones. The complaint was universal that engineering departments are expensive and that the result recently has been mainly to hand out return premiums, but the need of keeping ahead of competition makes them essential expenses.

As an additional topic, the chairman introduced the recent proposal to publicize the firms insured in stock companies and to urge agents and the public to buy their products. Reaction was unfavorable, the sentiment being that an earlier attempt along this line had proved a boomerang.

## In Stellar Role



ROY L. NICHOLSON, Milwaukee

State Agent R. L. Nicholson of the Michigan F. & M. in Wisconsin took the leading role in the play given Wednesday evening. He was the director and coach.

### National Union Hospitality

The National Union Fire presented each registrant with a special pencil and extended an invitation to all to use its office facilities including stenographic service at its home office and its Allegheny department in the Union Trust building across from the William Penn.

L. B. Corley of Nashville, won the Thursday morning attendance prize.

INCORPORATED 1868

# THE STANDARD FIRE INSURANCE COMPANY

OF

TRENTON, NEW JERSEY

FRANK J. BREEN, President

A GOOD AGENCY COMPANY

## LOYALTY GROUP

**Congratulates the National Association of Insurance Agents and extends cordial greetings to all of its members on the Association's Fortieth Anniversary.**

"LIFE BEGINS AT FORTY" are words of courage, wisdom and youth! Four decades of building a national organization of power and prestige are to you but an inspiration to greater achievement.

The institution of insurance has become man's visible earthly providence. Its representatives, who realize that its beneficent influence pervades every phase of life, know that theirs is indeed a HIGH CALLING.

Until a few generations ago, the frugal vainly sought a sure means to provide comfort for their age and protection for their children. Insurance has changed this pathetic uncertainty into comfortable certainty, safeguarding every activity with a surety never before dreamed of in this world of insecurity.

The agent who laboriously convinces and then insures the thoughtless and indifferent brings to them a benefit beyond the measure of mere money. The seller of insurance, who conveys to the victims of misfortune the wherewithal to mitigate their sufferings, is indeed a minister of mercy.

Those who give their best to the upbuilding of the insurance structure relate themselves to an instrument second to none for the betterment of humanity.

## LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey - ORGANIZED 1855

The Girard Fire & Marine Insurance Co.	ORGANIZED 1853	Milwaukee Mechanics' Insurance Company	ORGANIZED 1852
The Mechanics Insurance Co. of Philadelphia	" 1854	National-Ben Franklin Fire Insurance Co.	" 1866
Superior Fire Insurance Company	" 1871	The Concordia Fire Insurance Co. of Milwaukee	" 1870
The Metropolitan Casualty Insurance Co. of N.Y.	" 1874	Commercial Casualty Insurance Company	" 1909
<b>WESTERN DEPARTMENT</b> 844 RUSH STREET, CHICAGO, ILLINOIS	<b>EASTERN DEPARTMENT</b> 10 Park Place Newark, New Jersey	<b>PACIFIC DEPARTMENT</b> 220 BUSH STREET, SAN FRANCISCO, CAL.	<b>SOUTH-WESTERN DEPT</b> 912 COMMERCE STREET, DALLAS, TEXAS
<b>CANADIAN DEPARTMENT</b> 461 BAY STREET, TORONTO, CANADA			

## Many Wheels Are Whirling Around

(CONTINUED FROM PAGE 5)

local groups desire to be heard. During the sessions of the committee with state presidents, the latter were multiplied many fold indicating that numerous others than presidents sat in the conferences.

There is a growing coterie of state association managers or executive secretaries attending the meetings and they are becoming more influential as they constitute the continuity factor in the administration of their units, a function that was originally intended for the national councillors. On Monday the state and local board secretaries held a conference presided over by Alfonso Johnson, manager of the Dallas Association of Insurance Agents. Most of the time was devoted to discussing with Director F. S. Dauwalter of the Business Development Office just how it will operate and what is expected of the state bodies. This movement promises to be a major one and will exact attention on part of the leaders, both agents and field men.

The executive secretaries, aside from taking up an exchange of ideas on duties peculiar to their office, discuss questions of general concern. For instance this year complaint was made that some offices of the Fire Companies Adjustment Bureau handle losses for mutuals and reciprocals. This it was charged, was a boon for these institutions as it enabled them to say that they possessed the same adjustment service as the stock companies. An opposing note was struck when the point was made that if these non-stock companies were forced into outside adjustment offices, they could well employ loss paying for business getting by using greater dispatch and liberality.

The secretaries, too, were anxious to learn the whys and wherefores of the Catholic Relief Society which is able to make advantageous terms in insuring church property. They were seeking to find what companies wrote the underlying policies.

### Breakfast Conferences of the Councillors

What shall be done with the national councillors? They were brought into the association machinery through the initiative of the late Percy H. Goodwin who visualized a councillor as a leader in his state, a man of influence and one in whom the agents had confidence. He was to be continued in office from year to year and by attending annual and midyear national meetings would have knowledge of what had been done. What was being done and what was in the offing. A state president is in office, at most, two years and thus his organization has not the advantage of continuous contact through one official with imperial matters. But the councillor's duties and position were not well or definitely mapped. In consequence he has become a sort of fifth wheel. His tenure of office in some states is short

and so the original purpose is lost. Then again some state presidents were irked by the councillors, jealousies and rivalries sprang up in a few states.

However, the councillor group does come together at these meetings in breakfast conferences, divided geographically according to the four major company organizations' territory. There is a community of interest in this respect because of the underwriting and rating rules of these company bodies, which differ at times quite materially. Therefore when agents in a section get together they have common problems.

### Middlewestern Group Has Been Effective

The middle western councillors group embracing Western Underwriters Association states has been quite effective especially in bringing influence to bear on company organizations. This, may it be said, in considerable measure, is due to the chairman of this group, George W. Carter of Detroit, a man who has opinions and gets things done. If there were more homogeneity in these regional groups, similar for example to the New England Advisory Board of the state associations in that territory, much more could be accomplished.

At the Michigan meeting at Battle Creek, protest was made against any attempt to abolish the councillors, having in mind Mr. Carter's very effective work.

The midwest councillors are called in from time to time, either as a body or acting through a special committee to deal with the governing committee of the Western Underwriters Association, as occasion requires. This gives this group a very practical function. At the midyear meeting at Atlanta, a committee was named consisting of E. J. Cole, Fall River, Mass., chairman; C. S. Stults, Hightstown, N. J.; James Farrell, Rochester, N. Y.; Henry Schmidt, Wilkes-Barre, Pa., and A. J. Smith, New York City, to consider the advisability of forming a more coalescent group to operate much as the W. U. A. councillors for E. U. A. territory, consisting of New England states, New York, Pennsylvania, New Jersey, Delaware and Maryland. Mr. Carter met with the eastern committee to explain how his group operates. The eastern committee recommended that the councillors in that section be made a permanent body to constitute a coordinated conference committee. This action would seem to strengthen the regional movement with a closer working agreement. Mr. Cole announced that such an organization will soon be established.

The southern states' agents have the Southern Conference which however is not identified with the councillors. It deals with the Southeastern Underwriters Association on subjects of mutual interest. It has been highly successful. H. C. Arnall of Newnan, Ga., in report-

ing for the southern councillors said that they would pass on to the conference some recommendations.

The regional conference movement gained momentum when E. R. Pickett of Sacramento reported for the Pacific Coast and mountain states, saying there were 25 at the breakfast gathering coming from Washington, California, Wyoming, Colorado, Oregon, New Mexico and Utah. It was decided to form a permanent organization for that section.

Hence with all this regional development growing, the problem of councillors may be solved, they forming the permanent members of these conferences.

Mr. Cole in reporting for E. U. A. territory said there was a general discussion of the activities of the federal government in relation to insurance and the suggestion made that this activity should be watched very carefully. Financial conditions and activities of the various state funds writing compensation insurance came up for attention and this matter was laid on the table for further consideration.

It developed in the discussion regarding the formation of the E. U. A. conference committee that some localities in E. U. A. territory were receiving concessions from companies that were not granted in other territories. This was particularly true in Maryland where the Baltimore agents were being paid the Boston scale of commissions and it was found that this was being done because of a clause inserted in contracts of agents operating in Baltimore provided that all companies are required to pay the same rate of commissions in Baltimore that they do anywhere else in E. U. A. territory.

The eastern councillors have taken into their group West Virginia, which at present is not included in any territorial division.

Fred Smith, Haverhill, Mass., was elected chairman and Albert Dodge, Buffalo, secretary for the coming year. The chairman of the conference welcomed J. G. Rolker, of Baltimore, as a new member of the council, the Maryland association just having been organized.

At the joint meeting of councillors and state presidents, Chairman W. Owen Wilson who had in recent addresses told of the peril of consumer buying in the effort to eliminate profit again brought up the subject. He said this, carried to the ultimate, would mean the destruction of retailers. All business is liable to be affected. The non-stock plan in insurance, he said, is akin to this cooperative movement. He urged agents to call attention to this fact. If this application to insurance is extended, he predicted havoc in all lines.

E. R. Pickett of Sacramento told about the California State Employees Association getting a contract from the Standard Oil Co., to buy gasoline and all other of its products at a 25 percent discount. This association also got an automobile fleet rate. So much pressure was brought that the arrangement was discontinued. He said that cooperatives in California are rapidly developing.

Mr. Wilson declared state associations and local boards should immediately get busy to try to stay this movement. Contracts should be made, he asserted with other trade bodies and get their help.

Geo. W. Carter of Detroit in his report for the central west said his group

## Award Woodworth Cup to Former President



ALLAN I. WOLFF, Chicago

The Woodworth memorial award given that member other than an executive committeeman who has rendered the most meritorious and outstanding service to the cause goes to Allan I. Wolff of Chicago, former president. President Bair presented the medal and spoke of Mr. Wolff's effective work on the conference committee.

desires to have the automobile guest liability-waiver provision discontinued. It also wants casualty companies to grant a discount on a term policy where the premium is paid in full. Next it protests against stock companies writing bonds for nonstock companies.

Following the breakfast conferences the councillors marched up to the 17th floor to join the state presidents and their bodyguards in a conference presided over by Chairman W. Owen Wilson of the executive committee. With no set program, no staged addresses this offers an opportunity for blood spilling, letting off steam, viewing with alarm and making vociferous protests. The formality of the big regular sessions is lacking and the door is open for floor discussions on part of many whose voices are not heard in the large gatherings.

### Opportunities for More General Discussion

Aside from the joint meeting as a forum for discussion, other avenues are now provided which grew out of the demand for opportunities for members to exchange views and deliberate on problems confronting them. Breakfast conferences were started prior to some regular convention session. This however, did not give sufficient time and the executive committee arranged for two full afternoons. One afternoon is given to local board discussions, there being three groups fixed according to population. Another afternoon is given to three groups arranged according to volume of premiums per office taking up agency operation and management. These meetings are fairly well attended.

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## O. Beling Urges Well Conceived Office Routine

The importance of establishing an office routine in an agency, so far as accounting is concerned, was emphasized and some fundamentals to be kept in mind in setting up such a routine were given by Oscar Beling of New York, special representative Royal-L. & L. & G., who addressed each of the three agency management group conferences Thursday afternoon.

Unless the office routine is properly planned and each employee is assigned definite duties and responsibilities, the agency executive will be required to devote entirely too much time to office details at the expense of sales activities. On the other hand, he said, some agencies fail either to apply controls in the accounting system or to study periodically the progress made and the current financial structure.

### Well Conceived Plan for Entire Office Routine

First, there should be a complete and well thought-out plan for the entire office routine. Every phase of routine should fit in with all other operations in a steady, uninterrupted flow of work. This involves organization of production, sales and underwriting activities; centralization of purely mechanical functions; routine of policy orders and completed policies; development of adequate line records; control on expirations.

Usually the basic records of an agency are the copies of the invoices accompanying policies or endorsements. These copies are used variously as accounts receivable ledgers or posting media, collection follow ups, accounts payable records, indices by location, insured or producers, line records, expiration records, expiration control, etc., depending on the individual preference.

The general ledger serves as a condensed transcript of the agency operation and includes controlling accounts for all assets and liabilities which should be reconciled monthly. Adequate reserves should be included for bad debts, for depreciation in assets such as stocks and bonds, office equipment and automobile. The general ledger should reflect the current financial position and progress being made.

### Comparison of Operating Cost with the Average

Other statements required by agency executives include a comparison of the operating cost with the relative composite averages developed by the National Association, unit cost per policy for both direct and brokerage business, net premiums by producers, by companies and by classes of business, a summary of unpaid premiums by months of origin and producers, profit or loss by departments.

There are several methods of handling the accounts receivable. Among the smaller agencies, either hand posted ledgers or invoiced copies are employed. The use of the invoiced copies as subsidiary ledgers seems to be gaining

favor. In the larger agencies various types of bookkeeping machines are used. Sometimes the machines also develop the cost records, journals and general ledgers.

Agency line records are maintained in several ways. Some agencies confine their line records to the more important clients, while others feel that full and complete line records should be available for all of their insured. Line records may take the form of invoiced copies, indexed cards, daily report filing cards or special filing folders.

### Four Memorials Adopted at Concluding Session

(CONTINUED FROM PAGE 5)

ing bonds for non-stock carriers, thereby enabling them to write universal automobile coverage and meet the requirements of state automobile financial responsibility laws in states in which such non-stock carriers are not admitted. The National association condemns this practice and requests the incoming executive committee to present this matter to the bonding companies individually, to the end that the practice be discontinued.

We commend those stock companies

which have refused to issue such qualifying bonds, or have withdrawn them.

\* \* \*

When the government of the United States sees fit to send a commission abroad to study cooperative plans long in existence in certain European countries, it becomes evident that a cooperative wave is sweeping this country and threatens to upset the present way of doing business.

The National Association of Insurance Agents believes that the present trend of this wave of consumer cooperatives, unless checked, will engulf American business, and destroy the American tradition of the profit motive in business.

It urges that all business unite to discourage this non-profit system in business, and to hold fast to the principle of individual business enterprise and initiative, based upon service rendered, with capital invested for reasonable profit.

### Past Presidents Dinner

At the past presidents dinner Thursday night, E. J. Cole, Fall River, Mass., presided. He introduced each of the former chiefs with an original verse. Geo. D. Markham of St. Louis and John A.

## O. B. Hunt Destined for Bigger Things—Joe Futz

Joseph Futz of Eighty-Four, Pa., after hearing the address of Insurance Commissioner Palmer of Illinois, said that while the talk was full of substance, it was unfortunate that the association did not have Commissioner Hunt of Pennsylvania appear at the same time. Mr. Futz declared that Owen Hunt possesses a vision and gets down to the ground where the people live. Mr. Futz disagreed with Commissioner Palmer when he said that there would be no communists with people who are humorous. "It takes a man of Owen Hunt's temper and training to run these fellows to their lair. Owen Hunt is destined for bigger things."

Bryant, Kansas City, the two remaining founding fathers, were presented.

The Alfred M. Best Co. had the New York "Times" delivered to all registrants every morning.

# Agents and Brokers

For Court, Probate and other Fiduciary Bonds use a Company offering:

- A trained organization of specialists in such bonds.
- The benefits of fifty-two years' experience in the field.
- Expert and prompt service throughout the United States, Canada and Mexico.
- A record of satisfied clients as shown by our large and increasing volume of business.

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Home Offices: 100 Broadway, New York

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Both Companies Write

Fidelity and Surety Bonds and Casualty Insurance

### Fifty-Five Speeches at Sunday Evening Feast

The Pittsburgh general committee on arrangements entertained at dinner Sunday evening at the Duquesne Club all the committee chairmen, officers, executive committeemen, former presidents and members of the executive staff of the National Association of Insurance Agents, and their ladies. General Chairman J. W. Henry presided. There were 55 present and all were called on for remarks.

## Agent Must Keep Posted on Trends

(CONTINUED FROM PAGE 20)

Insurance is not a sacred institution. It is a practical tool for facilitating individual and corporate activities by eliminating or reducing risks. If these activities change, so must insurance."

Dr. Blanchard pointed out how other industries are constantly adapting themselves to changed conditions, such as the automobile manufacturers, who maintain research departments whose prime business is to be dissatisfied with progress

to date, and to seek new devices which will make old models obsolete. Although the insurance business cannot likewise advertise new contracts and rates each year, which would represent a denial of the virtues of last year's product, it can be more alert to change and be prepared to adopt the necessary program.

Dr. Blanchard urged an incessant campaign for improving agents' qualifications. The drive should go on, he said,



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. . . to the other insurance agents of America from the executive personnel of:

## R. B. JONES & SONS Inc.

Managers of Kansas City Fire & Marine Insurance Co.

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KANSAS CITY,  
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until the description "insurance agent" is prima facie evidence of confidence and reliability. Although qualification examinations will not eliminate every unfit agent, each sifting process will eliminate many and the remaining group will be of higher general calibre. In fact, concentrating on agents' qualifications would, in itself, produce many other desirable results.

### Should Not Attempt to Substitute Power for Service

Another major problem, that of business going to non-agency carriers, commissions on the best credit risks going to large brokerage offices and other commissions being reduced, must be solved by careful study. The agents' reaction to this problem of immediate loss constitutes the chief danger to his standing. "You will not succeed in the long run," he declared, "by erecting legislative fences around a privileged position, nor by attempting to tie up carriers and clients by agreements in business favors which are demonstrations of your power rather than of your ability to serve." As an example of the proper approach to the problem, he called attention to the recognition by the business of the insurance buyers' movement and, as a result, this problem will be solved by adapting the business to the necessary change.

The question of compulsory automobile insurance, similarly, is only a superficial indication of a deeper problem, and of the wider demand that in one way or another every citizen should be secure against want, illness and major accidental losses. Although many methods have been adopted in various states to deal with the automobile accident problem, none can be called complete. Compulsory insurance was one method adopted; financial responsibility laws was another and improved legal machinery another. However, the accidents which gave rise to the problem are still there and until a solution is found that is reasonably complete and which deals with fundamentals, companies and agents must continue to face the problem.

### Insurance Manager Will Not Replace the Agent

So far as development of insurance managers is concerned, he said, it is the natural outgrowth of the tendency toward size and complexity in business. Such managers do not replace the agent, but they do threaten the business of the incompetent or lazy agent. The agent should not sit in conferences and "bemoan the times" when he sees a tendency to deal with non-agency carriers, to seek direct contact with company officials or to self-insure. He should develop a service that justifies his commission, demonstrate that he knows enough about the business to make direct contact unnecessary and prove that he has something better than self-insurance to offer. "Do not, however, waste your energies fighting the inevitable. When old lines fail, turn to new lines. If you hold business merely for the sake of holding it, you will find yourselves 'business poor.' I do not decry self-interest but I urge you to substitute for the pursuit of immediate and evident self-interest, that policy of enlightened self-interest which rests on the long run point of view."

### Rain Spoiled Outdoors Activities

The weather, for the most part, was disagreeable. The rain kept up almost continuously. Sunday and Monday were favorable enough for golf. Sight seeing was eliminated.

The Excelsior of Syracuse had a round-up of its agents at the Keystone Club from 4:30 to 8:30 p. m. Wednesday. President R. C. Hosmer was in charge and presided at the dinner. Special Agents F. H. Witmeyer, Gordon Cuyler and R. C. Hosmer, Jr., were present.

At the joint meeting of councillors and presidents each state at roll call told what officials were present. Kansas responded, "President, councillor and a Priest."

## Dinner Is Served to Get Assembly in Friendly Way

The get-together dinner Tuesday brought an overflowing crowd and the whole assemblage was in the spirit of the hour. Nearby in a large room Manager Harold Warner of the Royal-L. & L. & G. group was the host to the biggest private party of the week. At 7 o'clock he announced that the gay throng should shift to the banquet hall. President Kenneth H. Bair was master of toasts, Commissioner O. B. Hunt of Pennsylvania gave greetings from the state, Retiring President J. W. Henry of the Pennsylvania Association of Insurance Agents for the state body; President C. C. Kohne for the Pittsburgh Fire Insurance Agents Association; President Ralph H. Alexander for the Pittsburgh Insurance Club. C. F. Liscomb of Duluth responded.

John A. Bryant of Kansas City, Mo., one of the two surviving founding fathers, was seated at the head table, was introduced and was given a mighty hand. Unfortunately the other survivor of the "immortal 20," George D. Markham of St. Louis, could not reach Pittsburgh in time for the dinner.

### Glittering Array of Past Presidents Is Displayed

President Bair introduced a glittering array of past presidents: A. W. Neale of Cleveland; E. C. Roth of Buffalo; C. L. Gandy, Birmingham; Clyde B. Smith, Lansing; W. B. Calhoun, Milwaukee; Frank R. Bell, Charleston, W. Va.; W. E. Harrington, Atlanta; E. M. Allen, New York City; E. J. Cole, Fall River, Mass.; Allan I. Wolff, Chicago; R. P. De Van, Charleston, W. Va.

Other notables presented were Insurance Director Ernest Palmer of Illinois, Secretary W. H. Bennett, President Julian Lucas, National Association of Insurance Brokers; C. A. Abrahamson, Omaha, president National Association of Casualty & Surety Agents; Deputy Commissioner E. S. Joseph of Pennsylvania; W. L. Braerton, Denver, president American Association of Insurance General Agents.

W. Owen Wilson, Richmond, Va., chairman executive committee, introduced his associates: E. J. Cole; Sidney Smith, Gainesville, Ga.; C. F. Liscomb; F. T. Priest, Wichita; A. M. Dunbar, Omaha; C. V. Davis, Sheridan, Wyo., and W. H. Menn, Los Angeles.

The professional entertainment was furnished by a group of choristers from Radio Station KDKA and their offerings met with enthusiastic applause.

### Joseph Futz Seeks Post on Executive Committee

Joseph Futz, energetic agent of Eighty-Four, Pa., emerging from a conference with the West Virginia delegation that urged a more democratic form of government for the National association, said, "I told Walter Bennett that I sought no honors but I could be of vast help on the executive committee. Inasmuch as I got behind Owen Wilson for president before any one else, I am entitled to recognition. I can handle these West Virginia boys. They are fighting cocks but they know a good thing when they see it. With me on the committee it will be like with them. They demand red blooded Americans at the helm. I told Bennett I would fight Communists and the retrogressive compensation scheme to the limit. That's what the West Virginia boys want."

## Three Divisionals Discuss Problems

(CONTINUED FROM PAGE 7)

association. The state commissioner thus recognizes the principle that business belongs to resident agents.

One member from Atlantic City told about the local board being organized 15 years ago to deal with the free insurance evil. When a policy is canceled for nonpayment of premiums no other member can write the risk until the earned premium is paid. The list of those failing to pay has been very much decreased. Another rule deals with brokers and solicitors. Now 55 days are allowed in credit for producers to pay balances.

An agent from Richmond, Ind., told of a mutual syndicate opening an office and capturing the community hospital line. It is now trying to get smaller risks in other cities.

Col. Frederick Hickman of Atlantic City in speaking of safety work said it should not be done by local boards but by agents as individuals. When local boards formulate a program, he said the motives are questioned. The public suspects some selfish purpose. Col. Hickman said that humanitarian work should be emphasized. Agents should labor through their safety council or some safety committee.

When it came to discussion of limitation of agencies on the part of companies, it was voted as the sentiment of the meeting that a survey should be made of the conditions by the local board and some reasonable rule should be worked out on limitation.

### Topics That Were Listed for Discussion

Discussion took place on the following topics:

- What Is a Successful Local Board?
- A. In its dealings with the public should it attempt to:
    1. Handle political business as a board.
    2. Maintain a credit bureau.
    3. Make surveys to see that all risks within its territory are written by its members.
    4. Advertise collectively.
    5. Actively participate in safety work.
  - B. In its dealings with the companies should it attempt to:
    1. Limit agencies.
    2. Qualify agencies.
    3. Enforce an in-and-out rule.
    4. Eliminate overhead writing.
    5. Eliminate branch office competition.
    6. Recognize both conference and non-conference companies.

How Is a Successful Local Board organized:

1. Does it comprise of fire, casualty and surety agents or fire only.
2. What are its membership requirements.
3. Does it have 100 percent representation.
4. What dues are necessary.
5. Is a full time or part time paid secretary necessary.
6. What political subdivision should comprise the territory of the board.
7. How many meetings should be held.
8. What type of programs hold the members' interest.

### Business Development Office Has Gathering

The advisory council of the Business Development Office of New York City met Wednesday evening to hear the report of F. S. Dauwalter, the director, reviewing what has been done up to date. For the National Association of Insurance Agents there attended Kenneth H. Bair, Eugene Battles of Los Angeles, W. E. Harrington of Atlanta, Allan I. Wolff of Chicago and W. Owen Wilson.

For the companies there were present J. L. Mylod, North British & Mercantile; R. S. Garvie, Aetna Fire; B. M. Culver and C. W. Pierce, America Fore; J. V. Herd, Fire Association; P. C. Cothran, Phoenix of Hartford.

### Master of Ceremonies at the Theater Party



FRED J. LEWIS, Milwaukee

At the theater party Wednesday evening when a playlet was given and three reels presented, Fred J. Lewis of Milwaukee was in charge. All those participating in the skit were from his city.

### Cover Many Points in Welsh Session

(CONTINUED FROM PAGE 7)

membership casualty and surety agents as well as fire.

The Reading, Pa., board limits its membership to those who hold stock therein, a restriction that is keeping out some desirable members because of the cost.

The East Bay (Oakland, Cal.) association provides a non-voting \$5 associate membership which permits many to get the benefit of their educational meetings.

### Questionnaire Sent Out by Oklahoma City

E. W. Clarke reported that the Oklahoma City board recently sent out questionnaires containing 75 questions to obtain certain details as to agency firms and the number of individuals employed therein with excellent results, giving the board facts as to numerical strength which are impressive with the city fathers and the public. The National association has data, it was stated, that indicates the average to be five persons to an agency.

Mr. Priest said Wichita has no fixed dues but these are paid out of premiums collected on local public property, the insurance on which is placed through the board. Similar provision was reported from a number of other cities.

In some boards there has been raised the question of legal complications where the "in-and-out" rule is enforced. The opinion predominated that this issue can be successfully met where actually raised. Birmingham has the "in-and-out" rule written into the by-laws and has enforced it successfully on several occasions.

One speaker said it is not wise to put in writing a direct threat. In one case of infraction, he said, "I simply wrote the special agent of the company involved that I was resigning their agency. At the next board meeting the non-board agent who had been appointed by this company was present with dues in hand ready to join. Where company organizations are enforcing separation the "in-and-out" rule is easier to maintain.

In the case of insurance on public property which a local board was seek-



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ing to place in competition with mutuals, they got the business by showing the authorities that the stock companies were paying \$30,000 in taxes where the mutuals paid \$1,000.

In Jacksonville, Fla., there are 66 agencies in the board and five out. Louisiana has coextensive membership and the "in-and-out" rule in all local boards of the state.

The Wichita board includes casualty agents in its membership and has the "in-and-out" rule. There are 38 members in the board and but four or five outside. The board agencies write 90 percent of the business. The situation there is very clean.

Tennessee "does not police producers very much. About the only sin a board member can commit is to accept representation of a non-stock carrier," this being the comment of one speaker from that state.

#### Mutual Issue Raised in the Discussion

One speaker said agents should be loyal to their companies and not broker business with mutuals to which another asked why there should be such a show of virtue when some stock companies are reinsuring business with mutuals and reciprocals. To which another answered, "If you don't have whisky in the house you won't take a drink before you go to bed."

"I never heard of two wrongs making a right" from one side of the room was greeted from an opposite corner by "Amen, brother!" This elicited a grunt from another section and the retort, "You don't gain anything by putting stained glass windows in dwellings!"

San Antonio has 100 agents, 96 are in the insurance exchange, the other four representing companies that "al-

ways kick the traces." There are no mixed agencies there.

How often should board meetings be held was asked, the answer being that infrequent meetings indicated lack of interest. Several boards represented hold weekly meetings and one speaker reported successful noon luncheons with educational addresses.

#### Features of Meetings Are Presented

Another board invites special agents to meet with them once a month with good results. Once a year the Sacramento board is sure of a full attendance as a \$100 dividend is then handed out to each member, derived from commissions received by the board for writing insurance on city property.

In some boards the dues include provision for luncheons, which insured good attendance. In Pasadena, Cal., talks on fire prevention have been given

by members of the fire department and safety addresses are scheduled for future meetings.

Participation in community enterprises was endorsed such as highway and traffic safety programs, chamber of commerce, community chest, Boy Scouts, etc. One board put an end to an epidemic of false fire alarms by putting up \$50 with \$50 by the city to make a \$100 reward for apprehension of the culprits. About six arrests stopped the offenses.

Local board newspaper advertising judiciously planned was regarded favorably.

Neal Harris, of Oakland, Cal., described the plan used there for insuring local public property.

The conference closed with a discussion of plans used for recovering automobile insurance from finance companies. The use of stickers on policies and cooperation with local banks were strongly endorsed.

## OPENING SESSION OF BIG CONVENTION

(CONTINUED FROM PAGE 8)

erendum on the retrospective plan for rating compensation risks so that state bodies could vote on the subject. Chairman W. O. Wilson of the executive committee gave the report on the referendum. Wide difference of opinion was revealed but the majority was in favor. It developed into a lively discussion with some parliamentary complications. Evidently the audience was considerably confused over the issue.

#### Harrington and Leslie Enter the Discussion

Terrell Woosley, St. Charles, La., said his state was much opposed to the proposed plan. While a few years ago such a proposal might have seemed wise, he asserted the time had passed when it should be put into operation. H. T. Stock, Detroit, an opponent, urged his townsman, the redoubtable Geo. W. Carter, to give his views. Mr. Carter contended that in case of a low loss ratio risk, the assured received double credit while in the instance of an excess loss risk, he would be doubly penalized. Mr. Carter insisted the plan is illogical and stated he could not conscientiously present it. He urged a revision of the present experience rating plan by lopping off the farthest year and projecting the experience of the first nine months of the current policy year. He declared that where a concern had plants in four different states, for example, with an agent in each handling the business, if the retrospective plan were adopted, it would mean the sacrificing of three of

these because the whole business would have to be treated as an entirety. He cited Massachusetts where since May the plan has been in effect and there has been no change.

W. E. Harrington of Atlanta, chairman National association compensation committee, denied that any refund or penalty would be reflected in the actual experience. He insisted the retrospective plan reflected the current experience as well as possible. The projection of the nine months' experience as recommended by Mr. Carter, he said had been tried and found wanting. It is impossible in midyear to get the correct earned premium and loss ratio. When the policy has expired, it is then possible to get all the facts.

#### Opposition of Non-Stocks Best Argument for Its Use

All along, the companies are using some plan akin to the retrospective, when confronted with keen competition. Objection was made by Mr. Carter because he declared this plan would be applied to other classes of business and thus the agents' commission would be reduced. As a matter of fact, Mr. Harrington said, agents ask for the use of this method when they are against strong competition. Large lines are lost to agents because the cost loading for certain services is too high. The mutuals refund it. Nonstock companies are fighting the retrospective method and that is one of the best arguments for it. William Leslie, associate manager

National Bureau of Casualty & Surety Underwriters in charge of rating, was asked to speak. He stated that the present experience rating idea is to be continued along with the retrospective. The experience of the current year is reflected in the regular rate of the next year. The nonstocks are opposing the retrospective plan because it will enable stock companies to hold their business. An assured has the option of having the retrospective or guaranteed plan. The retrospective plan enables him to become a self insurer between minimum and maximum limits. He declared the stock group must move forward. Unless the stock companies can get the larger risks they will be forced to abandon the smaller ones. In case a company is permitted to deviate from the manual, and use the equity plan, they may apply the retrospective plan to other parts of the risk.

After much argument as to what situation the report left the association, a motion was made by Cruger Smith of Dallas that the report be referred to the state units each to decide while in convention what course it will take.

Clyde Smith said he opposed the retrospective method because in essence it followed the nonstock principle and hence was repugnant.

#### Braerton on Eastern Tour

W. L. Braerton of Denver, president American Association of Insurance General Agents, after a visit to company headquarters in the east, landed at Pittsburgh to give the official greetings of his organization and preside over a conference of officials and committeemen of his group. Incidentally he has become one of the most popular raconteurs.

#### Convention Notes

Some of the Pittsburgh conventioners will attend the **White Sulphur Springs** casualty meeting next week.

The **Indiana** delegates and their wives had their annual dinner Wednesday evening with an attendance of 21.

Mr. and Mrs. **Edwin H. Farry** of Indianapolis, were in attendance and are going to make a trip to Bermuda before returning home.

**William Leslie**, associate manager National Bureau of Casualty & Surety Underwriters, addressed the Pittsburgh Breakfast Club Thursday morning explaining how a locality practically makes its own automobile liability rates.

The **Fidelity & Deposit** and **American Bonding** had the Pittsburgh "Post-Gazette" delivered to the rooms every morning.

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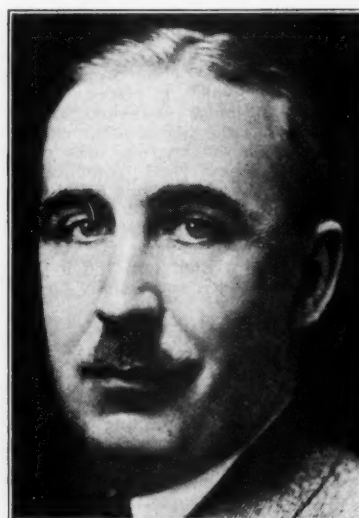
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**Aircraft** Kinds of cover available—writing small owners and operators, etc.

**Auto** Convertible collision—comprehensive—garage keepers' liability— theft, robbery and pilferage, etc., etc.

**Fire** Coinsurance—blanket errors and omissions—sole ownership—what makes a fire policy void—property under contract of sale—improvements and betterments, lessee and lessor, etc., etc.

**Fire Forms** What is "contents"?—special building and/or contents form—apartment building form—builders' risk form—churches—cotton and corn—blanket errors and omissions—lumber yards—rental value, public school buildings, etc., etc.

**U & O** What is U & O?—difference between profits and U & O—period for which loss is payable—80% contribution form—5 day week—formula for U & O values—contingent U & O, etc., etc.

**Inland Marine** Definition of inland marine—bailees' customers—bridge—contractors' equipment—camera and projecting machine—department store—fine arts—furniture—conditional sales and merchandise installment—physicians', surgeons' and dentists' instruments—musical instruments—personal effects—jewelry—radium, etc.

**Windstorm** Windstorm policy may be needed to cover fire loss—new way to sell windstorm—windstorm letter—mortgage interest, etc.

## CASUALTY

**Aircraft** Airport P. L. and P. D.—private and non-scheduled commercial aviation, etc.

**Auto** Sale of P. L. to person who carries fire insurance—borrowed auto, how to cover—when is a truck a "hired car"?—non-ownership for trucks—P. L. for filling stations, service stations, open air parking lots—New rules have widened field for auto non-ownership—Non-ownership vs. separate cover, etc.

**Bonds** Bankers' blanket bond—night depository safes and chutes—liability of bank directors for losses due to inadequate bonds—commercial blanket vs. blanket position bonds—how do contract and completion bonds differ?—corporate vs. personal surety, etc.

**Burglary** Office burglary and robbery—mercantile open stock burglary, residence burglary—safe deposit box, etc., etc.

**Forgery** What is forgery?—importance of insurance against check forgery—answering objections, etc., etc.

**Plate Glass** Possibilities—plate glass policy—auto plate glass—lettering and ornamentation—private dwellings—three year policies, etc.

**Power Plant** Furnace explosion insurance—U & O—consequential damage—outage insurance—why low pressure boilers should be insured—insuring steam piping, etc.

**Public Liability** Need of public liability—importance of special endorsements—O. L. & T., apartment buildings—personal liability of officers of corporations—why contractors need public liability—injuries caused by hoists—why landlords need P. L.—O. L. & T., for trustees—O. L. & T., for restaurants, hotels, public schools, etc., etc.

**Robbery** Meaning of robbery—sale of robbery insurance—bank robbery, time locks—messenger and interior robbery insurance—paymaster robbery, payroll checks vs. insurance, etc., etc.

**Workmen's Compensation** Three year term, private residences, occasional servants—occupational diseases—schedule and experience rating—voluntary compensation, etc.

**Miscellaneous Casualty** Church burglary and robbery policy, hazards insured against—declarations and warranties—what makes policy void—casualty lines which may be written on three-year basis, etc., etc.

**Collections** Agent not banker—a personal matter—getting unpaid accounts settled—letters—the telephone, etc.

**Selling Methods** Need of real salesmanship—importance of knowledge—buying on price—method of selling which protects against large single loss—insurance test selling plan—insurance expense not like other expense—preventing cancellations and reductions—selling new business—surveys and the follow through, etc.

**Agency Management** Agency budget—expense ratio—distribution of premiums by classes—accounting method—monthly statements, etc., etc.

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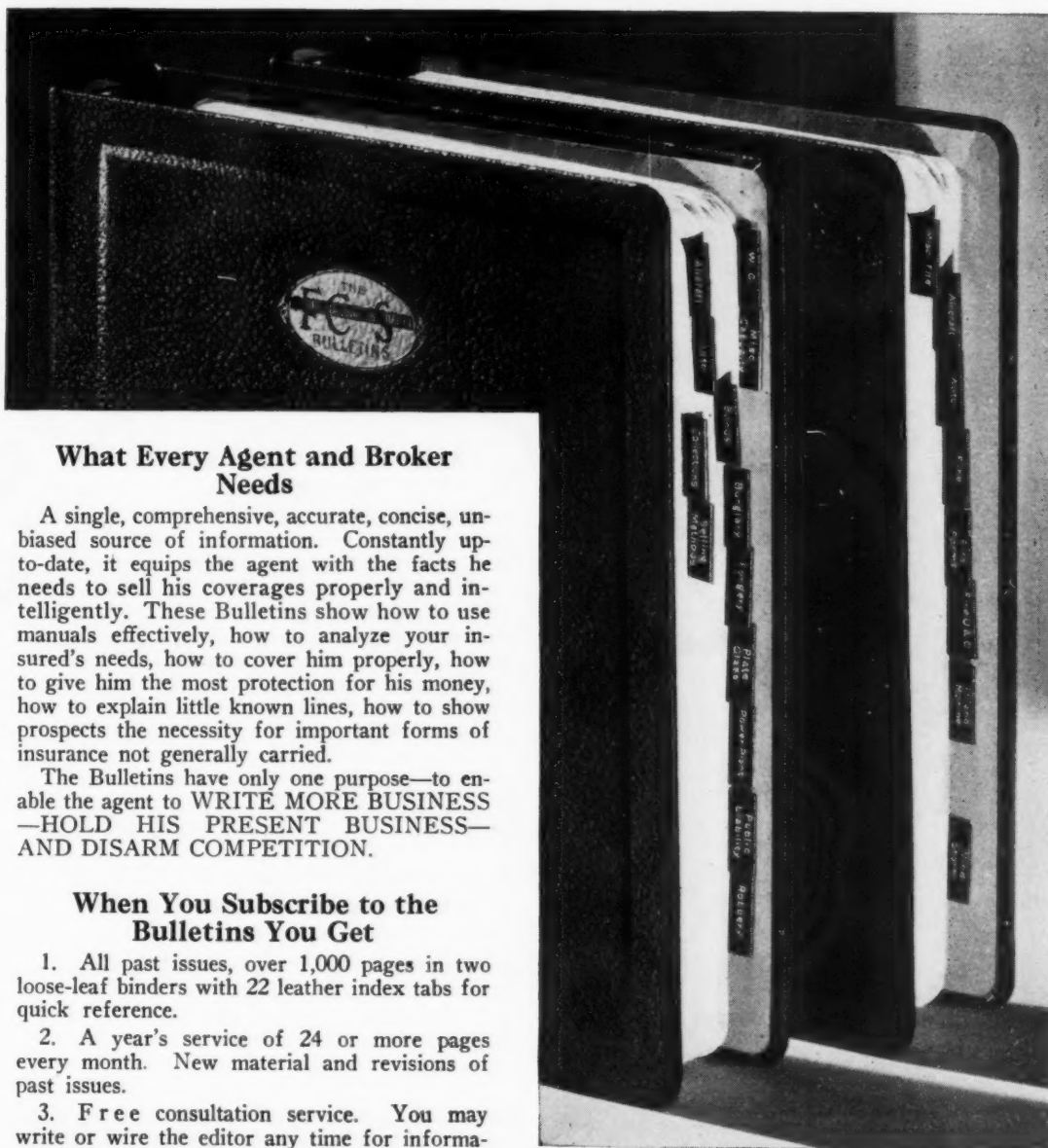
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